

The Dutch Colonial System
in
The East Indies

by

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ISBN 978-94-017-6742-2
DOI 10.1007/978-94-017-6848-1

ISBN 978-94-017-6848-1 (eBook)

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LEGAL TERMS

adat-law	= orally transmitted native law. Adat = custom.
domain	= land belonging to the government. It is divided in an "unfree domain", the natives permanently cultivated land and a "free"domain" consisting of uncultivated land.
erfpacht	= long-lease (75 years) of land out of the free domain.
grondhuur	= "ground-lease" = lease of hereditary possessed native land to non-natives. Between natives the transaction is called "veldhuur" = field-lease.
landhuur	= "land-lease" = lease of native manorial estates along with the seigneurial rights.
concessie	= "concession" = contract between sultan and entrepreneur in S.O.K. by which the entrepreneur, against payment, acquired the disposal of areas of the Sultanate, at first without consideration of the thin roving population.
particuliere landerijen	= Latifundia in property of Chinese and Europeans, generally in Western Java. They do not belong to the "domain".

LIST OF ABBREVIATIONS

1. B.B.	= Binnenlandsch Bestuur = Civil Service.
2. C.G.	= Commissary-general; plural CCGG.
2a. C.S.	= Culture-System.
3. G.G.	= Governor-general.
4. H XVII	= Heeren Zeventienen = council of managing directors of the V.O.C.
5. H.V.A.	= Handelsvereeniging Amsterdam.
6. K.B.	= Koninklijk Besluit = Royal Decree.
7. N.H.M.	= Nederlandsche Handel Maatschappij = Netherlands Trading Cy.
8. p.s.	= penal sanction on coolie contracts.
9. R.R.	= Regeerings reglementen = colonial constitution.
10. S.O.K.	= Sumatra's Oostkust, part of Sumatra consisting of Sultanates and put under a governor residing in Deli.
11. S.W.K.	= Sumatra's Westkust = Sumatra's West coast.
12. V.O.C.	= Vereenigde Oostindische Compagnie = the (Dutch) East India Cy.

MALAY, JAVANESE AND DUTCH WORDS EXPLAINED

1. Atap	=	palm-leaf thatch.
2. Blandong	=	servile labour in the teak forests of N.E. Java.
3. bouw	=	native square measure = 0.7 ha.
4. dalem	=	residence of native feudal lord (= regent).
5. desah	=	village comprising kampong, gardens, surrounding fields and meadows.
6. Factory	=	Batavia office of the N.H.M. directing the affairs in the whole of N. India.
7. haçil tanah	=	annual payment to the Sultans of Sumatra's East Coast for land concessions.
8. hongi-expedition	=	naval expedition to destroy excess crops of spices. In the Moluccas practiced by Dutch. Before them already applied by Achinese to the pepper gardens of the subject west coast of Sumatra.
9. huma	=	Sundanese for "ladang".
10. kampong	=	native village i.e. agglomeration of bambu and atap houses with their small gardens.
11. kraton	=	palace of native princes: generally also of bambu and atap.
12. ladang	=	temporary rice field in forest clearing.
13. ladang cultivation	=	shifting cultivation.
14. lijnwaden	=	originally linen textiles but applied by the Dutch on Indian cottons and later also to the European cotton textiles.
15. Ommelanden	=	jurisdiction of Batavia; its surroundings.
16. Oosthoek	=	the extreme eastern Residencies of Java from east of Malang till the Bali-Straits.
17. polowidjo	=	collective name for all second rank crops i.e. all crops other than rice (Java).
18. Priangan	=	the mountainland of Western Java.
19. sawah	=	permanent, irrigated rice field.
20. Shahbander	=	port-commander and receiver of the customs.
21. Tegalan	=	unirrigated but permanent field. Yields only polowidjo e.g. maize, cassava.
22. Vorstenlanden	=	the Javanese Sultanates of Jogjakarta and Surakarta created by the division of the remnant of Mataram (1755).

LIST OF MAPS

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INTRODUCTION

We live in a time in which colonial systems are abolished or disguised. But the mould of former colonial governments cannot be abolished as quickly and in fact can never be eradicated from the course of history — partly a chain of causes and effects — which leads up to the present.

The powerful "dead-hand" in history inexorably goes on to determine — with decreasing efficiency it is true — the present state of affairs. Indonesian Nationalists will have to study their country's history from Dutch sources. Sentimentalism does not count here and they must use their knowledge of the Dutch language. But other students, not being Dutch or Indonesian, generally cannot read Dutch. And as e.g. the non-Spanish reader is prevented from acquainting himself thoroughly with the history of Spanish America so these students will always be debarred from intimate knowledge of the history of Indonesia.

Yet something can be done to improve the world's knowledge of the subject, namely publishing the material in a world language like English. But the Dutch have published very little in English or German. If it were only because of the language used, this study would deserve the interest of the world's students of economics, history, geography and political science. Even if the reader knew Dutch very well he would be blocked from reaching a clear understanding by one hiatus after the other. For, to treat of this subject, a knowledge not only of law or history but also of economics and especially geography, is required. In these islands, of primitive

development in our eyes, the influences of the physical-geographic surroundings of soil, climate, vegetation are very important. They exert definite influences on the development of native civilizations. Therefore we must begin with an analysis of the material substructure and try to deduce from it those quasi-exact forces which make an intelligible whole out of, what seemed from earlier historians, a chance accumulation of facts.

In this seemingly deterministic way of treating the history of Indonesia, the author claims to stand alone.



CHAPTER I

PHYSICAL DESCRIPTION

Though Indonesia is counted as belonging to the "monsoonal tropics", the monsoons are not so typical for its climates as for the borderlands of the Asiatic continent. Little is noticed of the monsoon in Sumatra where a daily alternation of land- and seabreezes is strongly developed. The island of Borneo has an equatorial raintype with daily rains all through the year and only small contrasts between luff and leesides of the mountain chains. It is on the island of Java that the transition from the equatorial to the monsoon type takes place. Moving from West to East, a more developed dry season is noticeable in the socalled East monsoon, which is, in fact, the SE trade wind reinforced by the relatively high pressure area inside Australia. The nearer the location to Australia, the less vapour it has accumulated on its shorter trip and the less precipitation it brings to the islands of Insulinde. The small Sunda-islands represent this type of climate where in some places (Waingapu, Sumba) precipitation falls below 1000 mm, an exceptional case in the archipelago. The south of New Guinea also shows this distinct dry east monsoon period. The Moluccas however resemble the Pacific type where steady NE to E-trades bring rainfall the whole year round with sharp divisions between luff and leesides. In the Northern winter the monsoon blows in from about the same direction. Rainfall amounts to 2000 : 2500 mm (Braak, 49, I).

Far from being conducive to a fertile soil these rains tend to wash out the minerals of the soil so that in the absence of a systematic use of manure only those soils which are from time to time covered by andesitic volcanic ashes or which receive such substances with the irrigation water are fit for continuous cultivation. Humid lands without active volcanoes give poor soils. Especially poor are the rock-soil regions (Tiefengestein) which stretch in a wide bow from Malaya, the Riau Archipelago, Banka and Biliton to S.W. Borneo. Such soils are also met in Sibolga, many places of the Sumatra mountain chain (Bukit Barisan) and in Middle and Northern Celebes. Thin layers of soil — which are unfit for permanent cultivation — lie on the surface. More widespread however are sedimentary rocks (Sedimentgestein) which are of varying quality according to the domi-

nating components of quartz, lime or volcanic substances. But even volcanic substances are not always conducive to fertility. Especially the outer islands like Sumatra and Borneo possess volcanoes which produce liparitic tuffs and efflata, poor in Fe and O, rich in H_2SiO_3 (Acidum silicum), bleak in appearance. Java, on the contrary, is richly endowed with andesitic tuffs and efflata and from this circumstance derives the capacity to sustain a dense and sedentary population (E. C. J. Mohr, 49, I).

CHAPTER II

THE FORMS OF CULTIVATION

The peoples of Indonesia and Melanesia which were united in the Dutch East Indies have even now developed scarcely any industrial life and the greater part of the population lives from the produce of the land. By describing the different forms of land cultivation, we can therefore claim to have given a picture of the economic basis of native civilizations, this the more so as the other economic activities like trade and industry were largely determined by their agricultural basis as we shall later see.

Leaving aside the less important phenomena of hunting- and collecting-tribes we find three "Wirtschaftsforme", to use this convenient German technical expression (Krause, 62) which can be separated geographically. They are the ladang-cultivation, sawah-cultivation and the sago-collection. We will now continue to describe these three forms of economy separately.

*Ladang Cultivation.*¹⁾ The Ladang-cultivation is the most wide-spread system of cultivation in Insulinde. The technique consists of cutting and burning a parcel of forest in the beginning of the dry period.²⁾ The thick layers of humus are thus exposed to the sun and the air. Bacterial life is now enhanced and the former sour humus is consumed and mixed with ashes. The ashes form a minerogenic manure which helps to neutralize the sour humus and to bind it into colloïd form. So the quality of the soil is changed quite abruptly. The advantage of cutting and burning primeval forest is due to the absence of grass and weeds on its dark, sunlight-excluded soil. Cutting and burning is easier than weeding out the grass vegetation. Moreover the fertility of a ladang in primeval forest is greater, as can be inferred

¹⁾ After the M.S. had been completed an article by R. L. Pendleton was brought to my attention by the author. Where my description of soil-proceedings is based on my own limited knowledge of soils derived many years ago from R. Lang (64) but applied independently on this case it gives a profound satisfaction to receive pretty general support from a tropical soil-expert of reputation (79a, p. 115).

²⁾ This is the case in Western Java and the Western Outer Possessions where even the East monsoon is not quite dry. The harvest is brought to the kampong before the Westmonsoon breaks. During the torrential rains the natives stay in their kampongs.

from our description. In some regions only this form of shifting cultivation can be used to raise food-stuffs, as in the rock soils already referred to, where the formation of a soil layer is quite dependent on the accumulation of humus. This humus and the burnt-organic substances contain mineral constituents, which can be gathered only by deep tree roots (Mohr, 40, p. 44). It should, however, be understood that ladang cultivation is not simply an adaption to the physical-geographic environment. In fact it is a way of life, a constituent of civilization which is not abandoned even if the local conditions are fit for permanent and sedentary cultivation. Ladang-culture, as we may now say, is dominant on the outer islands (i.e. the islands other than Java). Even in Western Java, ladang-culture was dominant until in the 19th. century and still dominates in the residency of Bantam and West-Java's south coast. The penetration of sawah culture into this western part of Java began with the establishment of Javanese Muslim principalities ca 1500 and was speeded up by the conquest of the Priangan by the famous Javanese dynasty of Mataram beginning in 1590.³⁾

Sawah-Culture is practiced on irrigated fields which form a kind of amphitheatre up the mountain slopes. The long gradual slopes of the conic volcanoes afford the finest opportunity to make big sawahs with only low dams. Rivulets are tapped with the use of simple barrages at a higher altitude and the water led down the amphitheatre of fields. In these fields rice is planted year in year out in the rainy season, while in the dry season dry crops like beans, sweet potatoes and tobacco are planted according to the available supply of water. Especially towards the end of the 19th century when population pressure became distinctly perceptible, the cultivation of these second rank crops — called "polowidjo" — became increasingly important, also as a principal crop in the wet season on non-irrigated fields called "tegalans" (v. d. Veer, 101).

In the tegalans especially, maize (corn) and cassava are planted, both crops from tropical America and most probably imported by the Spaniards into the Philippines, Menado (N. Celebes) and the Moluccas consecutively. The same applies to tobacco and arachides.

As the reader will already have noticed, this sawah-culture requires a more refined social superstructure to divide the water supply and to direct the labour on communal projects of large scope like dams, canals etc. We shall have more to say about this later on.

³⁾ Javanese is meant here in contrast with the Sundanese people of Western Java.

There are, however, also sawahs which are more or less presented ready-made by nature, e.g. swamps which recede in the dry season, or shallow lakes which remain when the rivers have retired between their levees after the flood. Also there are many lowland regions towards the more rainy west of Indonesia which get so much precipitation that the making of dams (= galangans) suffices to store a great amount of water on their fields. Whereas Java is the principal sawah-islands in its refined forms, the second category of sawahs are found also on the outer islands. Moreover, in the Menangkabau (W. Sumatra), an important ancient sawah-culture exists as well as on the island of Bali. The latter must be reckoned to belong to the orbit of Javanese civilization. In the South of Celebes, a very important sawah-culture was developed in the 20th century under Dutch guidance.

Sago-Collection. The eastern archipelago is characterized by a population of fishermen and sago-collectors. This "Wirtschaftsform" is also to be found on the eastcoast of Sumatra and even on the Malayan peninsula but in the eastern Archipelago it is dominant. According to Deinum (49, IIa p. 610) the sagopalm which grows along the muddy borders of rivers is cut when 10 tot 15 years old. The trunk is then split and the core cut out, rasped and washed till the sago flour is obtained. The headribs of its leaves are used for building purposes and are white-ant resistant.

Roughly speaking therefore, we may distinguish into the following regions: a sawah-region consisting of Java, Madura and Bali, a ladang region consisting of the western outer islands namely Sumatra, Borneo and Celebes and a sago-region in the Moluccas and the rest of the eastern Archipelago.

We shall see in the following section how this rough division of the Malayan Archipelago corresponds with different social upper structures. As these social differences will give us the clue to the understanding of the genesis of the present Indonesian economy, we will now proceed to analyse them.

CHAPTER III

NATIVE CIVILIZATIONS

Ladang Region: Native civilizations based on ladang-culture will generally never attain the level of those based on sedentary agriculture. If there are no navigable rivers of importance it is impossible to cultivate fields at a great distance from the settlement. The settlement (= kampong) therefore has to shift frequently and can only contain so many people as can be fed from the small action radius. They can consist of a few families only, maybe up to 30–50 people. De Haan (45, I, p. 31) tells us of the people of the Priangan that their huts were made of branches and leaves and that even fruittrees were not planted as the people did not stay long enough to enjoy the fruits. It is symptomatic of their way of cultivation that the Sundanese did not know surface measures till well into the 19th century (De Haan, 45, III, p. 178), something which would be inconceivable in case of a sawah-cultivating population. The organization of these tribes is very simple. Cutting and burning as well as the making of a fence against wild pigs are collectively done. Then each "pater familias" gets his parcel which he subdivides among his families.

Where there are big lowland rivers as in Sumatra and Borneo, the area of action is bigger. Parcels farther from the kampong can be cultivated and a correspondingly greater population can be united in more permanent kampongs. The relations between the development of the means of communication, the population and the permanency of the kampongs can be expressed in simple arithmetical terms. We assume, that a kampong works a circular area of which the radius $= r$ is determined by the development of the means of communication. Suppose that the shift of the field through this area i.e. the "turnus" is x year and that y surface-units are required to yield the physical minimum of food for one person. The maximum population of this kampong

$$Pm \text{ then } = \frac{1}{x} \cdot \frac{\pi r^2}{y}$$

As $\frac{\pi r^2}{y}$ is a constant factor we can also write $Pm = \frac{1}{x} \cdot \frac{1}{y}$. Now $\frac{1}{x}$ is nothing else but the year velocity with which the field shifts through

the area. We may call this factor: the field velocity = V_f so that we can write

$$P_m = V_f \cdot C$$

As however the ladang-people prefer primeval forest soil, they will — as long as there is sufficient soil — not begin a second turnus on the same area. They will shift their kampong. The kampong is moving through the forestland with a velocity = V_k which is clearly determined by V_f and which therefore in last instance — in this technical stage — depends on P_m . V_k reaches its maximum when $V_f = 1$ i.e. when the whole area is used in one year. However, physical reasons make, that this stage will never be attained as the authoritative voice of C. H. Edelman assures (35b, p. 51). Ladang culture is a beneficial adaptation to bad and poor soils only in thinly settled regions where the turnus can be kept up to 25 years or more. If population increases and the turnus is shortened then it becomes predatory of the soil's resources. We shall later see that the different attitude of the B.B. towards ladang cultivation in Java and in the Outer Possessins — though ignorant of these considerations — has been justified by soil-theory.

This stage will, however, not be reached as the turnus will be kept on a conventional level, which affords the requisite amount of sedentariness and rest to the population. In this way also population is kept on a conventional level, the excess being compelled to establish a new settlement. This process of branching- off excess population is however a gradual one in the case of rice-cultivation. If the distance to the field exceeds "r", the excess people go there to work, live in a temporary settlement during this time and return to the old kampong until they have to go off again to harvest.

They return then with their harvest to the old settlement. This would have been impossible in case of shifting cultivation of maniok (S.America) which has to be reaped from day to day. As however the excess population is increasing they will have to depart at last.⁴⁾

⁴⁾ H. Th. Fischer (40a, p. 12) has proved the presence of strong voluntary checks to population especially in the Outer Possessions. They chiefly consist of foetocide and infanticide. He alleges the existence of a strong social convention requiring a small number of children per married woman, namely three or four. In the light of our theory this conventional number of children gets a definite significance, it being nothing but a reflection of the conventional V_f . The great investments of human labour in the substantial kampongs will make a greater permanency desirable i.e. V_f is kept low and so is P_m . The rigidity of the checks as ascertained by Fischer however is characteristic of a density of population which prescribes stationary ladang cultivation, i.e. $V_k = 0$, and a turnus which is long enough to maintain the fertility of the soil. But even here the possibility of employment in plantations allows more latitude. The noticeable increase of local labourers on Sumatra's East Coast plantations is a clear indication of this.

In the end, a situation will be reached where the whole region is occupied by kampongs, each having no more than a circular area = πr^2 . V_k = then = 0 and V_f is on the conventional height. We are then in the stationary ladang stage in which the excess of population must seek a livelihood in non-agricultural pursuits. A labor supply is then formed. This stage can be hastened when plantations reserve great spaces or when the population is tied to narrow reservations. The stage can be postponed by acquainting the people with sedentary improved agriculture.

Thus our theory can be applied, with small modifications, to all kinds of shifting cultivation.

J. F. Kools (60) has certified that the conventional turnus in Bantam is 5 years and that each person needs the permanent disposal of 0.7 ha. The maximum population derived from these data is 100

— = 143 men per km². The same maximum population will be 0.7

reached everywhere as long as $y = 0.7$ ha and $x = 5$ years. Where, however, transport is better developed, as e.g. in Sumatra, "r" will be greater and the population will be concentrated in fewer but bigger kampongs.

In these bigger kampongs a more refined social organization may grow up. A class of hereditary chieftains may develop as in Sumatra. Yet it is not likely that we should ever have heard of "empires" like Sriwijaja and Malakka and the many smaller emporia along the Straits of Malaya, were it not that foreign elements had been introduced into the economic pattern of the ladang region, situated as it was along the sea trade-routes between China and India and further to Europe. The political structures which developed had, therefore, no firm roots in the landscape but consisted of a system of points, of ports without much connection with their surroundings.

Hinduisation proceeded along with the contacts of trade. It was a peaceful development, a cultural assimilation of Indonesian principalities by India. It was brought about by merchants and colonists who came in growing number after the beginning of the Christian era. The reasons, according to Coedès (27), were many. The normal business instinct drove the merchants to these places, where alluvial gold could be acquired for the insatiable hoards of India. Their transport was facilitated by the improvement of shipbuilding technique along the shore of the Persian Gulf where ships able to carry 600 to 700 passengers were built. Also the moral and religious obstacles towards emigration and sea voyages were greatly diminished

by the advent of Buddhism. Yet these emigrants did not suffice to create Hindu settlements. The hinduization of native society was achieved especially by the second wave of the two higher castes of Brahmins and Aryans who trickled in since the 4th century A.D. and intermarried with the native princely houses. Indian civilization lost something of its purity in these regions. The Brahmins were not "pure-sang" but had admixtures of Dravidian blood. Yet we may follow Coedès if he calls the Western Archipelago together with Burma and the Indo Chinese peninsula "l'Inde extérieur", so strong anyway was the assimilation (Coedès, 27, p. 34). Hinduisation came in the wake of trade but trade was also modified by Hinduisation. A real "Aufklärung" took place among the princes. Their kingship acquired a religious halo, they more and more exerted active influence especially on the trade that passed through the Indonesian waters and ports. Moreover, the cultivation of products for this world-flow of commerce was encouraged. Pepper-gardens surrounded the ports. Products from the forests like camphor were attracted to the ports. Most of the pepper-gardens were the king's property. Just so most of the trading vessels. Trade was virtually the king's affair.

The privileged position of the king as a merchant is not astonishing in Oriental countries. Kublai Khan was the principal merchant in his country and exercised the right of preemption (Marco Polo, 70, p. 204 fn.). The same applied to Siam in time of the annotator of Marco Polo (p. 204 fn.). This may have been in 1818 or 1854 depending on the note being written by Marsden or Wright, which can not be discerned. We may, however, safely assume that this situation existed till far into the 19th century for Siam. Furnivall gives the story of an English merchant who came to Burma and was led first to the king who paid him to his satisfaction. Later in the kingdom of Ava or Upper Burma the king's monopoly of foreign trade was more officially organised (Furnivall, 40 p. 66). The same applies even today in more limited extent to Siam where a deficient flow of revenue from direct taxation must be made up by active economic participation by the government. In Kublai Khan's case we don't hear about royal participation in export-trade. The foreigners, who were paid in paper money, bought what they needed from his subjects. This they could do because the fear of the Grand Khan assured unlimited acceptation of this currency. Kublai Khan's empire, however, was so populous and extensive that he could easily sell his goods to his subjects and even receive payment in silver money for them which, in this way, was withdrawn from circulation and private hoards and led to the Khan's treasury. In smaller countries with

some special products, such as Burma and Siam, the king also participated in export trade. And in the scattered port-kingdoms with little own produce, except pepper, the king forced himself as a link in world trade. Less enterprising kings might content themselves with regular and irregular exactions from the incoming ships and from the colonies of foreign merchants. However it was, the king exerted all his political and military power to promote the commerce of his ports. The king tried to draw as much profit from world trade as possible and inevitably collided with other port-kings. From this struggle the "empire" of Sriwijaya arose which probably had its seat at first in the present Palembang and later in Jambi. Other ports were subjugated and a warfleet forced passing traffic to frequent those ports of the Sriwijaya-empire which were designated emporia and where the cargo had to be sold. The two principal thoroughfares, the Straits of Malacca and that of Bantam were supervised by the cruisers of the Maharaja of Sriwijaya.

Very few monuments today document the former existence of this trade-empire. According to Coedès (27, p. 223) they were too busy with their economic strategy to occupy themselves with such things. Yet Sriwijaya was a centre of Buddhist learning. In N. J. Krom (63, p. 115) we find recorded that a Chinese monk, I-tsing, stayed there for two years about 711 AD. to learn Sanskrit before proceeding to India. More than a thousand priests lived there who used purely Indian scientific methods in their study.

How far did ladang-culture go in determining the economy of this region? It determined the nature of the products which flowed from there into world traffic. Those were forest products and pepper. Now pepper-cultivation depends much on ladang-culture. While rice is still growing, pepper-plants are cultivated between. When the rice has been harvested the pepper-creepers grow on against their supporting trees and after a period, in which occasional weeding takes place, a pepper-garden has been made "en passant" with the ladang. They can be kept along with the new ladangs as they don't need permanent supervision but may be visited and harvested when the kernels are in the desired condition. In the same way in modern times coffee and rubber have been cultivated by the natives. Perennial crops which do not ask constant care are therefore easily grown on the basis of ladang-culture. Sometimes the acquisition of rice is the most important object. In our case however, the acquisition of rice was considered instrumental in getting a "Subsistenzmittelfonds" (Böhm-Bawerk) for the people who made the pepper-garden. The more so as the Sriwijaya-empire was largely dependent on rice-

importation from the sawah-regions of Java. This rice was bought in the Javanese ports of Japara, Grissee, Tuban, Surabaja, where merchants of many nations were represented. The same dependance on Java-rice characterized the "empire" of Malacca which took over the roll of Sriwijaja in the 15th century. The legacy of Sriwijaja was "a pattern of seapower supported by piracy and monopoly" (Winstedt, 109, p. 31), which was adopted by Malakka and later also by Portugal and Holland. Sriwijaja was crushed between the Javanese empire of Majapahit, Siam, the Tamil kingdom of Kalinga and by the infiltration of Islam. The particular reason for the power of Java will be explained presently. It is, however, symptomatic that Malacca could only start up when Majapahit distintegrated under the influence of Islam. The weakness of Sriwijaja has already been elucidated. It lacked a foundation and was built up in the "air" of world trade and money economy. Of course pepper was grown by themselves and was of great importance. Marco Polo (70, p. 287) states that the Chinese port of Kinsai alone imported more than 10.000 lbs. of pepper daily which is 3.8 ml. lbs. per year and the editor of Marco Polo's travels adds that Chinese consumption was a hundred times larger than European consumption. Yet the trade of the Orient with the Roman Empire, in which pepper was an important item, was extensive enough to cause a drain of Roman gold coins. These were found by archaeologists in many hoards of the Malabar coast, the region where much pepper for Europe was grown (Mickwitz, 72, p. 29) (Glover, 42a, p. 235).

But pepper was not a crop by which a dense population could be fed and ladang culture, especially in the pre-stationary state, was unfit as a foundation of a strong State. This nexus will appear in a better light when we confront it with the civilizations founded upon sawah-culture as we will presently do. Suffice it here to repeat that the socalled "empires" of Sriwijaja and Malacca were just a number of mercantile towns on the sea coast subjugated by a common ruler. These towns had no affinity with the inland and the sovereignty of the Maharaja over the inland was of a purely theoretical nature. His claim to the property of the land was purely hypothetical, instigated by the new conception of "divine rights of the kings" taken over from Hindu-philosophy.

Sawah-Region: Quite a different picture do we get when we look at the civilizations built on the foundation of sawah-culture i.e. the civilizations of Middle and Eastern Java. Here we find firm political structures which really embrace and govern wide areas of land. The

structure of these States was of a feudal-domanial nature. Let us clarify the exact significance of this term. Following Henri Sée (86) we limit the term "système domaniale" to the relationship between the serfs and their lord, i.e. roughly speaking to the internal structure of a manor. Also Georg v. Below (15a, p. 37) feels obliged to distinguish these two relationships. Yet, though Sée had already sharply differentiated between them in his terminology in 1901, Below thirty years later distinguishes "Leiheverhältnisse niederer Ordnung" and "Leiheverhältnisse höherer Ordnung". He must have had this reasons for this. For us it is only important that Below acknowledges the distinction and the long distance of time between the emergence of the two systems. In case of a feudal system the lords of the manors were not independent, but were themselves placed in a hierarchical political structure at the top of which was generally the king. Now a domanial system could only be based on sedentary cultivation, because enough control must be had over the population to ensure a steady availability of part of the harvest for the maintenance of the lord and his men. And on this domanial system a feudal system could be based. But a domanial system of allodial character is also possible. The domanial system had already developed in the Teutonic broadlands on a small scale before the Teutons invaded the provinces of the Roman Empire. But the feudal system began only when the Karolingian Empire collapsed (Below, 15a, p. 60). Where political safety disappeared, the lords of the manors and former high officials and military leaders of the Karolingians formed regional security hierarchies in which the latter authorities generally took the leading positions. This last shift in the 9th Century AD. was however not followed in Friesland, where no feudal system has been adopted or imposed.

After this digression, we may confidently write that sawah-culture was indispensable for a domanial system and that only from a domanial system could be derived that permanent flow of goods and services which was necessary to maintain the vassals of the feudal State.⁵⁾ Without vassals, no rule could be established over wide areas as the means of communication were badly developed. Omitting all the links in our argumentation, we may say that only in the sawah-region could territorial States develop. How big these States could

⁵⁾ Knowing from experience that objections may be raised against this use of concepts of European history to describe Oriental constitutions, we are glad to find unreserved approval by Heinrich Mitteis (73a, p. 43). Mitteis explicitly mentions natural economy and primitive means of communications as determinants of the feudal system.

become was dependent on many things. In the first place it depended on the ability of the king to keep down his vassals. Only if other vassals remained faithful, could he march on a rebel. Only if a rebel was in understanding with his colleagues, could he dare to affront the king. One of the methods to keep control over the vassals was the compulsory stay at the court, sometimes once a year or in an extreme case, a permanent residence with his choice wives and children under the eye of the king. In this system only fitted outright rebellion or complete subjugation. He who followed a middle course could not be sure to return from his yearly homage-trip and it was this elimination of transitional phases between fidelity and rebellion, which made the occurrence of rebellion less frequent than the bad means of communication would suggest. His personal ability to subdue his vassals determined the extent of a king's empire.⁶⁾ Moreover the great number of wives and the confusion of rival pretensions added to the instability of Javanese reign.

There were also objective factors which determined the size of the Javanese empires namely, those which control the means of communication. Where power lay in the rule over a well settled extensive area, it is natural that the coastal fringe had always to submit to inland powers. Moreover once at the coast the landpower had the occasion to extend his rule by the use of the most effective means of traffic, especially in those times, namely water transport. On the north coast of Java, shipbuilding was well developed because of the availability of teakwood. The location of teakforests on Java is determined by the presence of chalk ridges which form the old geological pattern of Java. On most of the island a cover of volcanic material was laid down in the young tertiary period. Climatically teak demands a definite dry season so that most forests are to be found in the east of Java. Lying on the leeside of the "east monsoon", which blows in the winter of southern hemisphere, this dry strip stretches along the Northern coast into Western Java. In Eastern Java the limestone-ridges run very near along the coast and it is also here that the great shipbuilding was done (Rembang). Yet all the favourable conditions mentioned would not have sufficed to give life to a shipbuilding

⁶⁾ Attila was able to keep the unwilling Germanic subject-tribes under his banner even during and after his defeat on the Catalaunic fields (451 AD). After his death the Ostrogoths, Gepidae and Alani reestablished their independence and even drove out their old masters. Charlemagne was more successful in curbing the feudal disintegration of his empire than either his predecessors or successors. The same may be remarked in the field of business. The number of factories, coal-mines and steel-mills which Hugo Stinnes, the personally inconspicuous Ruhr-magnate, could rule must necessarily be too much for his more showy successors.

activity were it not that a sedentary sawah-population had been present, a population that could be put to forced work in the forests by the rather elaborate State-machine. These forced services which in the end were the basis of Javanese seapower were called "blandong" and were later taken over by the Dutch. We shall have frequent occasion to speak of these blandong-services further on. We see that the strong landpower was also destined to be the strong seapower. So it can be explained that Sriwijaya was crushed by Java. Javanese ships were 50 tons large, had two masts and sewn planks and could make direct trips even to Madagascar (Hornell, 51. 257).

So obvious are the links between the existence of sawahculture and the larger political structures and refined civilizations that many people have thought that the development of Hindu-Javanese civilization must have been preceded by an introduction of sawah-technique by the Hindus (v. Deventer, 35). However probable this may appear, the fact has not been proved. Certainly in the archipelago as a whole sawah-technique seems to have been very little known. Hindu influence, in spite of its vigour and early appearance in the western outer islands, did not introduce sawah-culture there. Moreover, a stupendous sawah-technique has developed in the Philippines where no Hindu influence can be shown. In the northern valleys of Luzon, terraces are built up to 1700 m altitude. To gain a strip of 3 meters broad, walls of 15 meters high are built. They constitute the finest terrace-landscapes in the world, says Kolb (58, II, C, 4). This fact has also been noticed by N. J. Krom. But also from other features of Hindu-Javanese civilization, which he propounds in his classic study, Krom decides that sawah-culture must have been present before the advent of the Hindu-influence (63, p. 51).

After this more or less theoretical introduction we can begin to describe the development of the sawah-civilization. Java was touched by Hindu civilization later than the other islands. This came because Java was more remote from India and the trade route to China. Also there was less gold-washing in Java than on Sumatra. Most important, it seems to me, was however that sawah-culture is not suited to produce pepper and other perennial crops. A sawah serves rice cultivation every year in the rainy season. In the intervening dry period only half-annual crops can be planted. So Java did not produce pepper along with rice. Only in that part of Java where ladang culture existed (Bantam) do we find a notable pepper cultivation. Certainly an intentional cultivation of pepper was possible but not "en passant" with sawah-rice-cultivation.

The importance of Java lay not in its world trade but in its sup-

plying of rice to the towns and ports of the ladang- and sago-regions. The Portuguese in Malacca after 1511, the Dutch after 1598 depended on the supply of rice from Java. One of the chief ports of rice export was Japara, northeast of Samarang. The ports of Java had an active trade with the Moluccas where they fetched mace, nutmegs, and cloves and sold their rice which replaced the sagoflour in the menu of its inhabitants. In this way Surabaya, Tuban and Grissee became important staple markets of spices and attracted merchants of many nationalities. These ports, therefore, stood fully in the sphere of international trade and money-economy. Also shipbuilding was a private enterprise employing even foreign craftsmen. But the inland was kept in a state of complete natural economy by its princes who made themselves the mediators between these two different economic worlds. They sold their rice and teak and merged deeper and deeper in trade.⁷⁾

In this respect there was similarity between the ladang and sawah region. But only a small number of noblemen formed the supply-side of the market. Their intention was always to keep the demand side of the market as atomized as possible and later, when they had to submit to a preponderance of the Portuguese, they were not displeased to see Dutch and English appear. We can therefore make another distinction of interest and contrast Java as the land of natural-economy and serfdom with the outer islands, belonging to the sphere of money-economy, world trade and slavery. Slavery to be sure was a symptom of the two former phenomena. The king, being virtually the trade-monopolist, possessed most of the slaves who served as soldiers, rowers, servants etc. These slaves therefore enjoyed some of the royal lustre and were a quite respected class. In Atjeh slaves were bought to cultivate pepper. Before the introduction of Islam it seems that slaves were sacrificed at the king's burial (Tjoeng; 97, pp. 3-4). The slaves were generally captured by force but sometimes also sold by their own princes. The regions in which slave raids were allowed shrank after the introduction and spread of Islam, because no fellow-Muslimin could be enslaved. When the Dutch came in the Archipelago, slaves were mostly caught in the inland of Celebes and from the islands west of Sumatra especially Nias. Slaves from the second category were bought from the princes of the island of Bali,

⁷⁾ Java is an example to disprove the generalizing opinion that market-production, commerce and money-economy must favour the growth of a class of free peasants out of the unfree serfs. But this took place only if the peasants had more initiative than their lord. For Germany this is shown by F. Luetge when he compares Bavaria with Prussia and Northwest-Germany (65a, pp. 76, 121, 125).

where Hinduism held itself against Islam. To these slaves the Dutch added many more slaves captured from the Portuguese in India. Also Portuguese-speaking Christianized Indians if made prisoners of war became slaves of the Dutch East India Company (V.O.C.). Later, manumitted, they formed the class of the Orang Mardika (Mardijkers) in Batavian society. Many of them, though possessing high sounding Portuguese names (like "de Pineda") did not possess a drop of Portuguese blood but bore the name of their godfather (De Haan, 46, p. 397; 45, II, p. 766; III, 45, p. 285).

In Java where a sedentary people lived in serfdom, slavery was a superfluous and strange institution. It is interesting in this connection that according to a V.O.C. law Javanese could not be enslaved. F. de Haan has not been able to find this law in his archives but the correspondence refers to it frequently (III, 45, p. 207).

In Javanese history we find a rather quick succession of dynasties, empires and capitals. Hindu-influence seems to have reached middle Java rather late in the 7th. Century. From 750 : 830 AD. we find the dynasty of the Çailendras or the mountain kings. From this period date the monumental Buddhist temples of Kalasan, Prambanan and Borobudur, which contrast strongly with absence of monuments in Sriwijaja. The substratum of sawah culture made this performance possible. About the same time a dynasty of the Dewasimha is recorded by Krom (63, p. 144) in Eastern Java. Here we find a large number of smaller monuments strewn over a larger area which seems to denote a Ciwaitic civilization. The Çailendras, who had probably come from Sumatra (96, p. 24; Krom, 63, p. 149) at a certain time succeeded also in the reign of Sriwijaja. They were however expelled by a Javanese rebellion ca 850. For some time there is darkness and uncertainty in the historic annals until ca. 863 we see a united empire of Middle and Eastern Java (63, p. 157). The capital was shifted to Eastern Java ca 930 AD (Stapel, 96, p. 12). The material civilization is known from Chinese reports of ca. 900 AD, collected by Krom (63, p. 160) which tell that the palaces and even the fortresses were built of wood and covered with palm leaves. The eating was done with the help of the fingers and an intoxicating drink from the cocoanut tree was used. The absence of stone architecture is noted by the chronicler. Only religious monuments were built of limestone (63, p. 164). The frequent changes of dynasties have already been explained by our description of the Javanese political structure. The hand of Sriwijaja was visible in such a rebellion of 1007 (Stapel, 96, p. 14). The shift of residences is explained in these last reports. Every new dynasty practically built an own residence and even every

new king, after having noticed some ill omens, might order a new capital to be built. For this purpose the surrounding population was called upon to send laborers and materials, like wood, bambu and atap (palm leaf thatch). This generally involved great hardships especially because of the great distances which had to be covered to the place of construction. Even from distances of 200 to 300 km people were sent to build such residences or kratons (De Haan, III, 45, p. 185). To shift a capital was easy enough because the whole capital was occupied by the court. It was a purely "political" town as compared with the "economic" towns of the outer islands, where a shift could not be made without considering the many merchants who lived in it. Though the Javanese capital was practically identical with the king's kraton, it was big enough. There were the king, his queens, his concubines, each with their own apartments and children, his courtiers, ministers, soldiers, horses and elephants. According to v. Deventer (35, p. 143) Karta, the capital of Mataram ca 1625 had a diametre of four miles. A daily supply of 4000 head of cattle was brought for slaughter. There were 700-800 courtiers with their families, wives, concubines and children. In the kraton lived about 10.000 women.

So we get the picture of a rather unstable Javanese history. After the rebellion of 1007, Airlangga united Middle and Eastern Java under his rule but divided it again between two sons. Then came a usurper, Angrok, who united the kingdom. It is of no use for the economist to follow these proceedings in detail until the founding of the empire of Majapahit in 1292 with the help of Kublai Khan's Chinese expedition. Majapahit in its most prosperous period sent out a number of expeditions which crushed Sriwijaya (1360). Jambi became a Javanese stronghold while many more places in Sumatra and Malaya became dependencies. Then however a time of decay began for Majapahit which can be accounted for in the usual way, but to which a new factor must be added, namely the disintegrating influence of Islam on Hindu-Majapahit. The most influential vassals of Majapahit were the princes of the Northcoastprovinces, who carried on a lively trade in rice and teak. We have seen already that they formed an isolating layer between outside money-economy and inside natural-economy. This isolating layer now was islamized by their contact with the generally Muslim traders. The difference of religion inside Majapahit was a mighty incentive for the centrifugal forces. Like Clovis, the Frankish king's conversion to Athanasianism in this case also the choice of religion was politically influenced. Islam brought about a rearrangement of parties which led to the

ultimate independence of the coastal kingdoms. About 1520 Majapahit had been severed into many kingdoms of which Pajang, Kediri and Demak were the most powerful. Later when Islam had penetrated inland, the Islamic inland dynasty of Mataram swallowed the coastal kingdoms again. This last process was in full sway when the Dutch came in the Archipelago.

The native wars which accompanied the frequent political alterations were the chief check to the increase of Java's population. The reason for this can be clearly explained from the character of native warfare. With badly developed means of communication, troops had to live off the villages they came across. In case of a retreat or a fear that the enemy might profit from them the local crops were rather destroyed, and the remaining population left to starvation from which they could only save themselves by wandering off or by joining the troops. We can now understand that, later, the V.O.C. in order to stop incursions into Mataram by Balembang (Oosthoek) forbade settlement in the already depopulated buffer region of Malang. This dead zone was the best defense. Often the people were dragged off. According to v. Deventer (35, II, p. 175) the succession-war of Mataram of 1750 : 1755 reduced its population to one third of what it was before. Small wonder that when Mataram was partitioned in 1755 the land was not divided but the inhabitants were. This resulted in a boundary of fantastic shape leaving big enclaves on either side.

To resume the thread of our history, Mataram conquered Japara (1602), Demak (1604), Tuban (1621) Grissee (1623), West-Madura (1623) and Surabaja (1625). The king of Mataram, who had called himself "panembahan" i.e. he, who is esteemed, up to now, assumed the title of "Susuhunan" or "he, to whom one is subject". In 1637 the Susuhunan made a successful campaign against the Hindu kingdom of Balembang in eastern Java (Stapel, 96, p. 79).

In this whole section, profound silence has prevailed about Western Java i.e. that part of Java that belonged to the ladang region. This seems, however, to be contradicted by the proved existence of the Hindu kingdom of Pajajaran which had its centre in Pakuan, near Buitenzorg (Bogor). The unimportant vestiges of this realm seem to indicate that it was of very little consequence, as we might expect. It seems to have been founded in 1333 but early history of Western Java remains shrouded in darkness (Stapel, 96, p. 29). In Western Java, a slow penetration took place in the 16th Century by Javanese colonists, sawah-culture and Islam. That the Javanese in this time were Muslims and, therefore, bringers of Islam is obvious and that they should introduce their way of agriculture is

self-evident. There is, however, no necessary link between Islam and sawah-culture. As a part of the ladang region, Bantam produced pepper. And pepper attracted merchants. So it is not astonishing that a Malay merchant founded the realm of Bantam (Stapel, 96, p. 29). This could be done with a few ships and men. In the same way, Arab merchants have proclaimed themselves Sultans as in Pontianak ca. 1750 and last but not least in the 19th Century the European James Brooke in Serawak. In the 16th Century the same occurred in Cheribon where an Arab adventurer settled down and called himself Susuhunan Gunongjati (45, I, p. 14). From these two centres, Bantam and Cheribon, sawahculture was spread, as well as Islam. It is quite certain that Javanese people from the North coast were taken along. Till today the region along the North coast of Bantam belongs to the Javanese language territory, whereas the rest of the province speaks Sundanese. The same applies for Cheribon. Having once based their rule on a small sedentary population the adventurer-kings tried to impose their rule on the roving population. De Haan (III, 45, p. 198) tells us that the ladang population in Bantam was conscripted for labour services. In forced labour they had to make sawahs for the Sultan which were called "sawah negara". People were put on it who had to give part of the harvest to the king or to a vassal. In general, the tenants were succeeded by their sons. After the king had his share, the conscripts had to make sawahs for their own use. We have not succeeded in finding out in what way it was possible to compel ladang people to do forced labour. It is not very surprising to learn (De Haan, 45, II, p. 211) that after one century i.e. ca 1600 most of the rice consumed in the port of Bantam still had to be imported. However this might be, the king of Bantam was soon strong enough to conquer Sunda Kalapa, a place on the coast near the later Djakarta c.q. Batavia which was still subject to Pajajaran in 1522. A scion of the Bantam royal family was instated in Jacatra. In 1579 the capital of Pajajaran was captured. It is supposed that part of the people of Pajajaran fled to the Western part of the Kendeng-chain of Southern Bantam, where they still live as a kind of Buddhists isolated from the outer world. They are called Baduj's though they don't know this name themselves. Agricultural implements for sawah culture are still tabu, or as they say "bujut" to them. Just as well the presence of horses and buffaloes in their villages. The first ladang (or as they say in Western Java: "huma") is made to provide rice for religious celebrations and is called "huma serang" (Jacobs & Meyer: 55, 26, 106). Suffice it to say that Bantam especially retained the aspect of a trading city of the ladang region in spite

of its efforts to spread sawah culture. More successful have the kings of Cheribon been, who lived next to the Javanese homeland and could therefore introduce more Javanese. How were these migrations organized? We shall soon see that when we treat of the way in which Mataram behaved towards Western Java.

Already ca. 1530 Islam became the dominant religion in Galuh, a landscape into which it penetrated along the diver Tjitanduj, which flows from the eastern rim of the high plateau of Bandung southwards into the Segara Anakan, the Children Sea. In 1595 the region came under the domination of Mataram. Already in 1590 Cheribon had concluded a treaty with Mataram and received a stone wall round the city as a present from Mataram. The wall was completed in 1596. Whether this treaty was promoted more by pressure of Mataram or fear for Bantam we cannot say. But already in 1615 Mataram took over the lands west of the Tjimanuk from Cheribon. The Tjimanuk was another river which led very deep inland into the heart of the West Java mountainland, the Priangan. In 1619 Cheribon became a vassal state: in 1636 the prince of Cheribon visited Mataram and received the title of "Panembahan" and in 1650 it was quite subjugated to Mataram. A real interest for colonization of Western Java was awakened only when the Dutch founded the stronghold "Batavia" by force on the location of Jacatra in 1619. We will therefore interrupt our treatise of Java until we have described the Netherlands and the circumstances which led them to establish themselves in the Archipelago. To this task we will turn when we have completed this section by describing the sago-region.

The Sago-Region: To this region belong the numberless islands of volcanic character east of Celebes and Lombok, stocked with people of Melanesian race. They are fishermen and sago-collectors. This island world would not have been of importance if the islands had not been the source of cloves, nutmegs and mace for practically the whole world. The Moluccas and the Banda Islands were the chief producers of these spices while the sea provided numerous bêche-de-mer (tripang) for the Chinese kitchen. The nutmeg tree, which has its origin in these regions, probably in Northern New-Guinea as Hermans (50) believes, can only with difficulty be adapted to other locations and so the Moluccas retained their world-monopoly practically till today. Raffles, whose intention was to break these monopolies, tried to encourage the growing of nutmegs in Malaya and to spread cloves-cultivation to Benkulen, Malaya and Grenada (W.-Indies). As far as cloves are concerned, the Moluccas have quite lost

their dominant position to Zanzibar and Pemba. Chinese ships frequented the Moluccas even in very old times to fetch nutmegs, mace, clove and bêche-de-mer (Deinum, 49, IIb, pp. 655ff). About 1200 AD the Moluccas are reported to recognize the sovereignty of the Javanese realm of Kadiri (Stapel, 96, p. 306) and ca. 1450 in the late Majapahit-period the Chinese were superseded by the Javanese and all spices went to the staples of Tuban and Gresik (Stapel, 96, p. 441). This reflects the strong naval and mercantile position of Java. The strength of the Javanese lay in their sole possession of rice-surpluses. This induced Ptolemaios already to designate the island as Zabadou or barley-island in 165 AD. The Moluccas changed their menu from sago to rice, a symptom of their opulence. The settlements of the Moluccas, even in the sago-period, were permanent and large. The sagopalm does not need to be planted and cared for but can be cut and prepared by the young men and the sagoflour brought back to the kampong after a few weeks. So it is reported by Deinum (49, IIa, p. 619). The people of Ambon, Haruku, Saparua and Nusa Laut fetch most of their sago from the island of Ceram. The permanency, wealth and extent of the settlements grew when they became firmly engaged in trade. A hereditary chieftain class of the "orang kaja" existed. Of course, these islands being a most important terminus of trade-routes, Islam trickled into the Moluccas and Banda. Since 1475 the Moluccas can be said to have been Muslim (Stapel, 96, p. 30). Even as late as 1620 the people of Banda are reported to be champions of the Muslim-faith. (De Haan, 45, III, p. 221). There were four wellknown sultanates, those of Ternate, Makjan, Batjan and Tidore lying close to each other. The sultans kept fleets of large rowing-praus (kora-kora's), statebarges with 50 to 60 rowers, who were seated on tiers of light beams laid on outrigger booms. Those on the leeside generally became quite wet (Hornell, 51, p. 259). Such was the situation when the Portuguese entered the scene.

CHAPTER IV

THE PORTUGUESE

Unlike the Spanish, the Portuguese did not strike boldly inland but clung to selected ports which were united by their navy into a strategic network. The Portuguese made an end to that old and multi-shackled trade chain which had brought the Oriental spices and luxury goods to Europe. Did the drain of European money towards Asia stop herewith? This drain had been occasioned because the West had nothing to offer the East in the way of merchandise. But what is too often overlooked is that even before the advent of the Portuguese such a commodity had made its appearance: namely, artillery-pieces. When the Portuguese took Malacca in 1511, they captured three thousand pieces of artillery. How esteemed cannons were as trade goods and as presents may be shown by the following examples: Ca 1600 AD five English ships got return cargos of spices from the Spaniards and natives against delivery of cannons, guns and munition (Stapel, 96, p. 60). The ransom of Pieter van Raay in Jacatra 1619 was paid in two cannons and 10.000 reales (96, p. 65). Even when the Dutch were in command of the Moluccas (1621) the English acquired return-cargos of spices against fire-arms (96, p. 69). The prince of Jacatra had artillery in 1618 (96, p. 61). The second attack by Mataram on Batavia (June 1629) was made also with artillery (96, p. 83). The first V.O.C. embassy to Mataram offered four guns as a present (45, III, p. 38). Vice-admiral Van Warwijck in 1599 sold arms to the sultan of Ternate against delivery of spices. From De Iongh (54a) more examples can be quoted for the period of the V.O.C. Mataram and Makassar very often had more and heavier artillery than the V.O.C. They were also well supplied with hand fire arms. The fire arms were, however, badly handled and maintained (p. 90). In 1667 the V.O.C. forced a Makassar fleet of 200 vessels to surrender. Two larger ships mounted with 18 and 13 cannons were taken over (p. 107). From the forts which protected Macassar the king's fort Sambupo, having walls of 12 ft thick, was equipped with 272 cannons (p. 112). Of course it is possible that as the V.O.C. gained power the purchase of armaments increased. They were however already considerable before the Portuguese showed up. This proves that the native princes spent much of their income on guns. He, however,

who would give neither money nor guns had to impose contracts of forced delivery on the native princes or conquer the desired territories. This the Portuguese did in the Moluccas where they arrived somewhat before Magelhaen's expedition, in the service of Spain, made its appearance (1522⁸⁾). The Portuguese were rather fervent in their Christianization. St. Francis Xaverius, the famous Jesuit missionary worked in Amboin in 1523 so that R.C. parishes came into existence: these were taken over later by the Dutch and gradually adapted to Protestantism. Had there not been a R.C. nucleus, no conversion by the Dutch had probably taken place. The majority of the people, however, adhered to the Muslim faith.

Except in the Moluccas the Portuguese had few strongholds in the Malay archipelago. When they conquered Malacca (1511), they, in fact, interrupted for a while the rice trade from Java and in consequence Malacca was attacked in 1537 by 10.000 Javanese and 3000 Achinese. St. Franciscus Xaverius was then in Malacca and buttressed with all his power the spirit of defence (Winstedt, 109, p. 44). After that, however, the natives submitted to the Portuguese dominant position in trade. Yet except in the Moluccas they made no conquests of importance.

In fact, we know that Portugal was too weak for the rule she had taken upon herself. The Fuggers were even called upon to buttress her. It cost considerable difficulty to find even five to six galleons for the service to India (Haebler, 47, p. 50). The Portuguese king, therefore, proposed to make a contract with the Fugger Bankhouse in which this House would obligate itself to supply newly built ships and naval stores from the Baltic against participation in the India-trade. The Fuggers who would have to buy a shipyard in Dantzig for the purpose and who were cautious in making long term investments did not agree to the proposal (47, p. 36). At the same time the Netherlands were bristling with energy and rich in ships. So we can understand how little chance the Portuguese had to withstand the Dutch when they appeared in Indian waters. A great help to the Portuguese in maintaining themselves was the quick creation of an extensive mestizo-class (as in Brazil) and the quick assimilation and Christianization of the native population. Only, where they found a Muslim population as also in the Moluccas, did this proselytizing policy meet stronger resistance than elsewhere and the resentment of

⁸⁾ In Siam however the Portuguese import of fire arms was so big in 1538 that two hundred Portuguese were hired to instruct the Siamese army in their use. It seems that the Portuguese also sold fire arms to the king of Pegu (Credner, 2, p. 349).

Moluccans helped the Dutch much in ousting the Portuguese in 1603. In Indonesia, where the Portuguese had not been able to conquer, the still existing power of the native princes was a help to the Dutch and English in the beginning. But also where the Portuguese had firm strongholds as in India and Malacca the Dutch managed to oust them.

CHAPTER V

THE NETHERLANDS TOWARDS THE END OF THE 16th CENTURY

It would not be wise to conjure up the Dutch at the moment that they entered the East-Asiatic waters. For a good understanding of the proceedings we should give a short description of the Netherlands, when its people defeated the king of Spain and sailed out to make their fortune in the Indies.

Constitution: If we speak of the Netherlands we should add, that sorry enough, the southern Netherlands were suffered to remain in the enemy's hand especially with a view to continuing the blockade of Antwerp in the interest of Amsterdam, and also that from the Northern provinces only Holland and Zealand played a roll while the others lived a shadow-existence. Partially this was caused by the bad communications. It was easier to sail to the Baltic than to proceed to the province of Drenthe. Zealand, à contrecœur, had to accept the dominating position of Holland, i.e. of Amsterdam in the regulation of the republic's affairs. In fact Middelburg had thought to succeed Antwerp as a trade centre (Elias, 36, Ch. I). The really autonomous units in Holland and Zealand were the cities, where a proud patriciated bourgeoisie formed the government with the exclusion of any influence of the people. The organs of the lower classes, the guilds, had never attained that power in the Northern Netherlands which they had in the south as in Bruges. In the North they remained dependent and incomplete structures. It was these patricians — called the regents-class — who sent delegates to the States of their province and to the States General of the Republic, delegates, to be sure, who had no authority to decide except after lengthy correspondence and conferences with their superiors, which was called "ruggespraak". The government of the cities was formed by a kind of Senate, the "vroedschap" and by a board of "burgemeesteren" who attended to the daily affairs. Great influence in the large conventions of the cities had the "raad-pensionaris", i.e. the salaried councillor, generally a jurist of importance who acted as a kind of secretary and gave some continuity to the city's relations outwards. In the States of the provinces there were other influential Raad-pensionars of the same character. Though — in case of Holland — representatives in

fact of Amsterdam, they lived permanently in The Hague where the States convened, as well as the States General. The names of some of these raadpensionars of Holland, who marshalled the Republic's affairs, have acquired great familiarity even abroad. Unhappily this was because of their having been put to death like Johan van Oldenbarneveldt and Johan de Witt. Their fate reminds us that there were also other forces in the Republic besides that of the regents. These forces were the Calvinist Church, the other provinces of more rural character where also nobility still played a roll and the Stadholder who formed the apex of the opposite structure.

The Stadholders: The Stadholders had formerly been provincial governors of the Habsburg lords of the seventeen Netherlands. One of them, the prince of Orange, William the Silent, took a leading part in the rebellion against Habsburg and coordinated the war efforts of the decentralized republic. In this way he perpetuated the institution of stadholder in the republican constitution. To his family fell all the stadholderships of the republic. William the Silent, born Count of Nassau, fils-cadet of one of the branches of the House of Nassau and courtier to the Emperor Charles V took over the Dutch possessions of the House which had been acquired by marriage of an earlier scion of the House, Englebert von Nassau, with a Dutch baroness of Wassenaar (1404). This family of Wassenaar had again enriched itself by marriage with a great niece of the rich banker of Arras, William van Duivenvoorde (1290–1353). This nexus makes Henri Sée (86, p. 28) remark that the House of Orange-Nassau thanks its opulence and therefore also its political success to this "nouveau riche". William of Nassau, the Silent, during his lifetime inherited the title of "Prince of Orange" but he was detached from the German possessions of the House, which went to the eldest son Johann (Jan). William the Silent and his progeny were appointed stadholder by the Western provinces, Count Jan "The Old" as he was called, and his descendants were nominated in the Northern provinces. When the Holland branch died out in 1702, the Frisian branch again united the German with the Dutch possessions as well with the title of Prince of Orange.

The Netherlands Economically: The importance of the Netherlands lay principally in the southern part. Helped by its geographic position in the centre of European trade routes the age-old weaving industry attracted many visitors on her fairs, and by and by general staples developed. The ironwares of Wallonia and Germany, the fine cloths

of the whole of Europe, the luxuries of Italy, Levant and China were stapled in Bruges and later in Antwerp. Holland originally was a poor swampy country, so that the population was forced to seek a livelihood on the sea. From fishing developed general trade. Rotterdam's trade was directed towards England, France and further South. Herring was exported there. English wool was brought in and distributed among the cloth industries of Rotterdam, Delft and Leiden. Amsterdam's trade was directed towards the North, the Baltic, where it exported the cloth and brought back wheat, wood, pitch, potash and other Baltic products. These Baltic imports encouraged the growth of a shipbuilding and shipequipment industry from Amsterdam till Zaandam. The resolution of the Hansa to send its ships through the Holland inland-waters to Bruges encouraged the economic development of the country. Vice-versa, however, only the successful war (1441) with the Hansa opened the Baltic for an unrestricted Dutch trade which was at last accepted by the Hansa in 1474. In this way Amsterdam had acquired a strong position as a centre of trade in wheat and other Baltic products. Yet the position of Antwerp until 1576 was so overwhelming that Pirenne's expression, "Anvers banlieue les Pays-Bas" may be taken over, with some reservation for Amsterdam. Goris (43, p. 329) calculates that Antwerp's trade amounted to 80% of the value of the trade of all the Netherlands. Most of the functions of Antwerp were taken over by Amsterdam after Antwerp had become entirely unsafe by the rape by Spanish troops (Spaanse Furie 1576), who sought a recompense for their outstanding pay. We know that at this occasion the Fuggers were again called upon to put 200.000 ducates at the disposal of the king's paymaster in the Netherlands. By complying the Fuggers contrived to drag most of their claims through Spain's bankruptcy of 1575 (Haebler, 47, p. 163).

After Antwerp's decline, Amsterdam took over Antwerp's roll as a general staple of world trade and as a financial centre. Many influential Antwerp merchants fled to Amsterdam to continue their business and to free themselves from religious prosecution. Menkman (74, p. 24) accounts for the Dutch spirit of enterprise and discovery by the influence of these sons of the south who in the polyglot merchant city of Antwerp — the city of the commercial and financial condottieri (43) — had developed more vision than their Northern colleagues. Also Glover remarks (42a, p. 174): "Trade and a mixture of races, both things quicken the life of a community". It seems probable to me that the latter conformed more with the type of the Hansa-merchant as described by Hollweg (50a) and Vogel (101a),

solid, thoughtful, content with a regular share in regular trade and unwilling to aim at extraordinary profits by taking extraordinary risks. The succession to Antwerp's overseas trade again strengthened the Dutch position in the Baltic. From the ships passing through the Sound ca. 1630, more than three fourths were Dutch. Practically all came from the province of Holland. The number of ships was already very great in the North even before Antwerp's decline. Since 1200 AD the southern Netherlands had no ships. Elias (36, Ch. II) tells us that from ca. 1400 till far into the 17th. century foreign princes used to hire Dutch transport fleets for their troops. King Henry V of England had to hire ships from Holland and Zealand to carry his troops to France in 1418 (Cunningham, 32b, I, p. 412.). Dutch ships were to the contemporary about as numerous as the Dutch houses. But they were small, generally smaller than 200 tons. Elias (36, Ch II) estimates a total number of 5000 ships with together about 700.000 tons. It is clear from these few data how important the Netherlands were to Philips II, but also how small his chances were in reducing them into obedience. By sea he could not conquer them and by land his power was curtailed by a financial weakness which was not even remedied by the increasing silver imports from his American possessions. As long as the Netherlands earned money, they could afford to hire more soldiers. He, who reads the military history of the Netherlands finds mentions of whole bataillions of Hessians etc. under their own officers. Still more does this apply to the soldiers who were sent to the East Indies. They were practically all Germans.

The Expeditions: What induced the Dutch to sail out in search for the Spice Islands? The spices from the East were of such importance that an emporium could not lose them without being incomplete and losing other products also. One of the measures taken by Philip the Fair to ruin Bruges, whose guilds had made his father, Maximilian of Habsburg, their prisoner (1477) was to influence the Portuguese king to sell his spices in Antwerp instead of in Bruges (1501). Ten years before (1491) he had done the same already with the pope's alum (v. Werveke, 108, p. 103/4). Usually after the fall of Antwerp, Dutch ships came to buy spices from the Portuguese king in Lisbon. They went on to do this under faked names and flags when Philip II in 1580 achieved his legal succession to the Portuguese throne by force of arms. Philip however ordered the sequestration of all vessels from Holland and Zealand in Spanish and Portuguese ports in 1585. The shock was great but after that a new period of tolerance began. Yet the wish to fetch the spices directly from the land of origin grew

stronger. Reports about Asia had been numerous enough. Already Ptolemaios had disclosed part of its mysteries and after that there came the story of Marco Polo and that of Odoric of Pordenone.

New geographic notions even made a discovery along the North-coast of Siberia or through a Northwest passage in America seem possible. Most recently data had been published by Jan Huygen van Linschoten who as a young boy had accompanied a Portuguese bishop to India (1583) and had published his experiences of the voyage and of a nine years stay after his return in Holland in 1592. Especially on the strength of his experience, written in his "Itinerario", a number of merchants sent out an expedition of four ships under Houtman and Keyser (2-IV-1595) which returned in 1597. Its commercial success had not been great but it was the first trip and expectations for the future were very optimistic. The Portuguese had appeared to be even weaker than Linschoten had described. Numerous local companies were formed and Dutch ships swarmed out to the East. At the end of the year 1601 already fourteen fleets had been sent thither (Stapel, 96, p. 42).

The many local companies, however, spoiled each other's chances by competition. Moreover, they were too small to maintain a constant force in the Indies big enough to ensure the safety of their stocks and the fulfillment of the contracts by the native princes. They were of an ephemeral nature, being formed by a number of merchants generally only for one voyage. Long term projects which required great investments and which could begin to yield fruits only after some time could therefore not be considered. As moreover, the English had formed an Chartered Company for East India in 1600, Johan van Oldenbarneveldt considered it high time for an amalgamation between the smaller companies.

The V.O.C. formed: In the year 1602 the new "Vereenigde Oost-indische Compagnie" was formed, generally abbreviated V.O.C., according to its monogram. The local companies were incorporated as chambers e.g. the Chamber of Middelburg of the V.O.C. etc. The directors of the small companies were united into a body of 76, later to be reduced to 60 „bewindhebbers.” For the daily affairs a smaller collegium was instated to which the chambers contributed according to their nominal capital. It consisted of seventeen members. These seventeen gentlemen, eight of whom were sent by Amsterdam, were called the "Heeren Zeventienen" or abbreviated "Heeren XVII". Then there was a "board of trustees" for the shareholders, composed of nine big share holders who had to be sworn in. This last committee was,

however, without any importance. The interests of the shareholders were among the last considered by the V.O.C. (Stapel, 96, pp. 46–51). In the East a Governor-General was to preside in the India Council. Decisions had to be taken by the G.G. in council. This conformed with the Dutch preference for communal decisions.

In fact however the G.G. had far more and the councillors much less to say than was intended. The formation of the V.O.C. at once fortified the position of the Dutch. They soon contrived to oust English, Spaniards and Portuguese and to force contracts of exclusive delivery on the native princes. Beginning their career as a merchant-monopolist they were forced by and by to assume the roll of a sovereign.

CHAPTER VI

THE V.O.C. AS A MERCHANT-MONOPOLIST

Honour or Purse?: With the Dutch, there arrived representatives from a people so different from the natives that the history of Insulinde gets quite a different aspect. Merchants they were and scarcely conscious of other concepts than those of money and profit. Instead of honour which counted uppermost with the natives, the Dutch had only a purse (45, I, p. 11). There is so little nobility in the annals of the history of the Dutch East Indies in the days of the V.O.C. that a protracted occupation with them creates nauseating effects and makes the historian thirst for an interruption and refreshment from other sources. This is not only the author's feeling. Also F. de Haan complains about it (46, p. 739). He sees these phenomena only as a reflection of the conditions at home. Even in the best circles in Holland in the 17th Century a vulgar tone could be observed. Everything was reduced to its nexus with the pursuit of riches (46, p. 560). A complete lack of sense of humor was considered as a sign of distinction. Having no sense of honour themselves, the higher officials did not respect that of their subalterns (46 pp. 568/570). Huizinga (52, p. 68) with the subtle strokes of his brush does not paint this mental attitude in such sharp colours, but something is to be found from which a confirmation could be derived. Where however De Haan is hurt by the contrast with the mentality of the native princes, who were aristocrats up to their fingertips, Huizinga does not see this and in effect is quite content with the "common touch" of the Dutch in all walks of life. We are not called upon to decide which mental attitude was the more sound or the more pathological, but that De Haan is justified in complaining about this attitude is quite clear from the examples of poor behaviour which he gives. Dutch embassies to Mataram sought and accepted orders and bargains from Javanese chieftains while en route. (45, I, p. 11). The Dutch consented to keep up the appearance of vassals from Mataram and to send a yearly embassy with presents to the Kraton, which submitted to the humiliating etiquette, to ensure their rice supply (45, I, p. 18). Nieuhof, V.O.C. ambassador to the imperial court of Peking disapproved of the Russian ambassador's declining to submit to the very humiliating practices. He called it "proudness to

the detriment of business" (45, III, p. 23). In 1680 a V.O.C. embassy had to sit on the floor when received by the Sultan of Bantam, while the English at the same time got chairs to sit on, for they would not have accepted similar treatment (45, III, p. 25). That this however had nothing to do with real submission or fear or respect soon became clear when they had gained the upperhand. Higher V.O.C. officials allowed themselves an exceedingly impudent tone against the Susuhunan ca. 1684 as if he were a non commissioned officer (45, III, p. 316).

Having now described the attitude of the Dutch, we can understand how gradual and locally different the evolution which developed the V.O.C. from a company to a sovereign must have been.

Search for a central stronghold: Not forgetting the object for which they had come, the Dutch first ousted the Portuguese from the Moluccas. In 1605 they conquered the Fort Victoria in Amboina, their first conquest, which was quickly followed by more, even in Malabar and Coromandel.

The fort of Amboina became the first administrative centre of the V.O.C. With the chiefs of the Banda Islands, contracts were concluded for exclusive delivery of nutmegs and mace to the Dutch. These were considered too onerous by the Banda islanders so that they actively engaged in "illicit" trade with other nations, English, Javanese, Makassars etc.

The location of Amboina was, however, too excentric for a company, doing big business in India and even trying to establish itself in China. A "rendez-vous" which was situated nearer to the gateway of sailing ships, the Sunda Straits, was wanted for the ships to receive instructions and refit after the long voyage. To this Sunda Straits the ships steered up after having run before the Westwinddrift after the Cape of Good Hope. It was, for some time the intention to found such an organizing centre in the trading city of Bantam. With reason, the Sultan would give no permission to build a fort, which the Dutch, with as much reason, thought they needed. For some time there was doubt about the choice of Bantam, Jacatra or Djohore. The Straits of Sunda were, however, more convenient for sailing ships on the direct run than the Malacca Straits. Yet the Dutch also thought about Malacca (still to be conquered), Japara or Singapore (46, p. 7). Jacques l'Hermite, president of the V.O.C. in Bantam, who was only too well acquainted with the daily theft, murder and arson there, concluded a contract with the prince of Jacatra in November 1610. Pieter Both, the new Governor-General (G.G.), confirmed the con-

tract in 1611 with some modifications. A plot of land was acquired in the Chinese quarter on which they were allowed to raise wooden and brick structures. The prince received 1200 reals for it (46, p. 9).

The presence of Chinese denotes that some economic life existed in Jacatra. In Bantam these Chinese were present not only as merchants but also as craftsmen and even pepper-planters (46, p. 10). In Jacatra they seem chiefly to have been making arak. The town as a whole however did not amount to much. On the left bank of the Tjiliwung was the bambu "dalem" i.e. the residence of the prince surrounded by other bambu houses. On the right bank was the Chinese quarter. In the rainy season, the place was one large swamp. Here and there were native villages along the bank who did some ladang cultivation. Wild animals, buffalos, tigers, rhinoceroses, panthers, swines and crocodiles, abounded.

In this swamp the Dutch began to build. But there arose friction between the Dutch and the prince about several things, among them the payment of custom-duties. From 1614 the tension increased in Jacatra, the more as Jan Pietersz. Coen, at that time president of the factory in Bantam, assumed an uncompromising attitude as usual. While tension grew, the Dutch went on building stone warehouses in such formation that if quickly connected with earthen ramparts a small fort could be created. This factory in Jacatra very early drew private citizens, especially innkeepers. The English, in these days in all respects inferior to the Dutch, founded a lodge on the opposite bank of the Tjiliwung in 1618. By 1617 G.G. Laurens Reael had confiscated two English ships and had forbidden English trade with the Moluccas. Small wonder that the English sided against the Dutch and added to the tension. By exaggerating some trifling occurrences, Coen declared to be forced by emergency to improve the safety of the Dutch factory and began to build a stone bulwark. The prince of Jacatra, fearing aggression also built a bulwark and sought the aid of the English. An English fleet under Sir Thomas Dale suddenly appeared in Indonesian waters (Dec. 1618) to avenge old confiscations and to prevent new ones. Coen in spite of inferior forces dealt out the first blow, burned the English and the King's bulwark and brought the Dutch factory into a state of defense. On January 2nd. 1619 Coen attacked the stronger British fleet and made his way to Ambon to return with reinforcements. In the meantime the Dutch factory was "besieged". The siege in fact was a time of conferences, bargaining and intriguing in which no firm decisions were taken. According to De Haan (46, p. 23) from whom we learn all this, the prince of Jacatra was the most sincere and sympathetic figure in this

historical play. He did not want to lose the Dutch from whom he had earned much money. Moreover by starting the fight he feared troops to be sent from Bantam to aid him, but in fact to break him in. For, according to Bantam interests, the competition of Jacatra had to be destroyed. Bantam again was not on good terms with the English and sought support from the Dutch against the ever lurking danger from Mataram. So very few shots were exchanged, the weak, pretty well-indefensible Dutch fortress was not attacked. The English in utter confusion about what was going on, let the affair slip.

The conquest of Jacatra: When Coen returned on May 28th, 1619, the English had gone. Coen now attacked Jacatra and took this place, losing only one soldier. The Jacatrans had expected not fight but a new arrangement. Coen however needed war to acquire the official status of a conqueror. For conquest was the only way in which territories could be made the complete property of the V.O.C. To give his action the appearance of a conquest he burnt and destroyed the kampongs of the Jacatrans and so quite depopulated the surroundings. Coen now proclaimed the V.O.C. to be sovereign of the part of Western Java situated between the rivers Tjisadane in the west and Tjitarum in the East and stretching south towards the Indian Ocean, presuming this to be the Kingdom of Jacatra. How far the exact jurisdiction stretched nobody knew, but nobody even cared to know (De Haan, 46, Ch. I).

The political status of Western Java: In fact the real situation was quite different till late in the 17th Century. Territorial possession was only esteemed as a source of tributes which were generally of agricultural character. Where there was such an abundance of land, the production-factor of labour was the most scarce component in the production-factor combination. The different princes did not claim land but their people who might be making ladangs at different places at different times. This gave a very confusing picture of the political division of Western Java. Cheribon, Mataram and Bantam all sent out colonies which generally were brought oversea and up the great rivers like the Tjitarum. Next to each other were kampongs which were tributary to different lords. Most occupied in sending colonists was, of course, Mataram, being rich in people and exercising a rigid rule over them. We shall give some examples from such directed emigration which we collected from De Haan's meticulous study of the Priangan i.e. the mountainland of Western Java. The study however covers the whole Western part of the island except Bantam.

Forced colonization: In 1661 a Javanese colony settled down along the River Bekasi somewhat east of Batavia. They were driven away (45, I, p. 9). After announcement of the Susuhunan, a new colony was sent there in 1675 and allowed to settle down (45, I, p. 10). Javanese colonies penetrated the Priangan from North and South by the rivers Tjimanuk and Tjitanduj (45, I, p. 15). They came by boat but also overland (45, III, p. 157). Of course, considering the lack of a clear geographic division, Mataram clashed with Bantam, which had extended its influence far to the east. To rob Bantam of support from what Mataram considered to be her subjects, the Sundanese population was driven together and marched off in 1632, leaving the region still more waste than it already was (45, I, p. 16). After the conquest of Malacca, the great rice-customer of Mataram, by the Dutch (1641) the Priangan was organized against Batavia. Four regentships were formed, colonists sent and the old population allowed to return. In 1653 a colony of 2000 Javanese led by two kiais (holy men, priests) settled down on the bank of the Tjitarum (45, I, p. 17). Forced colonists from conquered Surabaja were sent from there to Galuh, a landscape up the Tjitanduj and thence to Krawang in the Northern plains (45, I, p. 20). These people brought sawah-culture to the Priangan and so formed that rice-spending substratum which was needed for the maintenance of the regents. Yet it would take some centuries more to make of the Priangan the wonderful sawah country of today.

The Dutch had settled in a region where Mataram and Bantam clashed at several places since no real frontier could be discerned. The proclamation of V.O.C. sovereignty was therefore highly unreal and arbitrary and for the time being, an empty phrase. By and by however, as the V.O.C. developed from merchant to sovereign and extended its government into the interior this proclamation was to become of tangible significance.

Building of Batavia: So we see Batavia founded in 1619 after the conquest of Jacatra, lying on a desolate swampy coast with a forested hinterland in which few scattered settlements lay, mostly of the ladang type. The Dutch, after all, preferred to have a vacuum around their capital. Of course, in building the city of Batavia, the influence of the motherland was very strong. Here also we find those "grachten" for which Amsterdam is renowned. They were, however, not only dug to follow the pattern of Amsterdam but because in this swamp-soil they had to be dug to raise the level of the sites on which the buildings had to be constructed¹⁰).

In fact, this building of a city in a desolate waste, in an archipelago where even princes lived in bambu houses was a problem apart to which insufficient attention has been given. There is first the problem of labour and then that of construction material. The labour sources were contracts with native princes who sent a number of their people, who were practically serfs. In a nearly uninhabited country, however, this source had to be supplemented by import of Chinese. Great numbers came of their own volition with tea-junks. The junks were sometimes of 1200 tons size and carried as many as 300 to 400 of these people. Having use for even more, the Dutch infested the coasts of China and dragged on board their ships as many Chinese as they could lay their hands upon. This fact is reported in the journal of the pious captain Bontekoe (21, p. 88), who had several hundreds on his ship alone (1622). They were sold as indentured labourers to other Chinese for 60 rixdollars. (21, p. 60). Another way of getting labourers was the capturing of native proas which were supposed to be smuggling i.e. which had no passports from the V.O.C. and which were therefore liable to confiscation by the V.O.C.-cruisers. Slaves were also bought in Celebes. But without Chinese workmen, Batavia could not have been built. The Chinese flocked to Batavia in such great numbers, that it soon was no more necessary to subject Chinese merchants, shopkeepers etc. to labour service. This "munus personale" was changed into a "munus patrimonii" i.e. the citizens were taxed and the work financed from the proceeds. Generally, the Captain of the Chinese nation acted as contractor. He was generally a big businessman and had disciplinary power over his teeming compatriots. He even applied corporal punishment to make them serve his ends. Most of the penniless Chinese who were passengers of the junks did not pay their fare. Once in Batavia they concluded a labour contract and paid the shipmaster from their advance-money supplied by the employer (De Haan 46, p. 381).

Building materials were of diverse character. Bricks were brought in ballast from the Netherlands. Moreover, the great demand for it occasioned Chinese and even native chiefs later on to exploit brick- and tiles kilns (46, p. 476). Natural stone was brought from Coromandel where the V.O.C. had her own quarries (46, p. 459). For the walls of the city and the streets coral-stone was gathered in the Bay

⁹⁾ The same is done in Bangkok.

of Batavia, wood came from the surrounding forests as well as bambus. But more and more teakwood was bought from Japara. Prominent people had marble brought from Persia clandestinely to adorn their houses (46, p. 476). Pioneers of stonebuilding in the archipelago were, however, the Chinese. Chinese bricks and glazed tiles had since long been exported to Insulinde. So the wall of the mosque in Bantam in 1598 was built of Chinese bricks. We may remind the reader of Marco Polo's report of China at the end of the 13th century. There, the roofs were covered with tiles the vitrified glazing of which had bright colours (70, p. 169).

Batavian monopoly: This Batavia was intended by the Dutch to be the sole contact-point with the outer world for as great a sphere as they could subdue. For this purpose the supply especially of spices had to be monopolized so that other trading cities like Makassar, Surabaja, Grissee, Bantam would no longer be able to obtain them. Every other port of importance which had independent contact with abroad i.e. with English, Portuguese, Arabs etc. was an "Anti-Batavia" (Stapel, 96, p. 76). One by one these Anti-Batavia's were defeated and their wings clipt.

To ensure their exclusive contracts of nutmegs and cloves, the Dutch applied the utmost harshness. To make an end to "illicit" trading, i.e. trading with other nations, the population of the Banda Islands was put to the sword (1621). A party was settled in the vicinity of Batavia. It seems that J. P. Coen's harsh treatment of the Bandanese Islanders was influenced by the fact that he had been an eye witness — when coming out as a young man in 1607 — of the massacre of the admiral Verhoeff who had gone ashore with thirty followers (De Iongh, 54a, p. 37). The islands were divided into parcels (perken) and allotted to ex-company servants who were supplied with slaves and rice and agreed to sell only to the V.O.C.. Fleets of cora coras punished smuggling islands and destroyed excess crops. These were the hongi-expeditions which were abolished in 1824.

In Holland, the directors of the V.O.C. and of the English East India Company had reached an agreement in 1619 by which 1) the partners were free to trade in each other's territories; 2) one third of the deliveries to the Dutch on Amboen and Banda had to be allocated to the English; 3) the pepper-purchases on Java had to be divided in the proportions 50 : 50; 4) price competition was eliminated. With this contract, the English made their reappearance in the Moluccas which enraged Coen so much that he sent a severe reproach to his superiors. Coen hindered the English wherever he

could. He was therefore called "King Coen" or "Rabbi Coen" or the "Jesuit Coen" by the English (De Haan, 46, p. 36). Does this strengthen Sombart's unproved allegation that Coen was a Jew? I don't think so. The Dutch watched the English very sharply. In 1625 they alleged to have discovered a conspiracy by the English in Amboen against the Dutch. The English were tortured till some confession seems to have been made. And therewith they were for the second time expelled from the Moluccas, now for a long time. This "Amboen murder" of 1625 remained unavenged then because the English were still too weak to declare war on Holland. It served however as a *casus belli* in 1652 and was, in fact never forgotten. Stapel, the meticulous historian of the V.O.C., declares (96, p. 76) that the conspiracy had been proved, that unjustified treatment had been meted out to the English but that the tortures were not so grave as alleged by the English. When Coen returned for his second generalship in Batavia (30.IX.1627), the English resolved to leave Batavia (28.I.1628) and went to Bantam (46, p. 44). In 1650 the H.XVII prescribed that Banda had to grow nutmegs solely and that Amboen and the smaller islands had to specialize in cloves (Stapel, 96, p. 100). This was to facilitate control. But when smuggling (to Macassar) still went on, new and more subtle means were used. Against payment of a yearly sum to the sultan, the V.O.C. acquired the right to extirpate as much of the crop as it saw fit. In 1650 the sultan of Ternate agreed to accept the extirpation-premium. In 1656 followed those of Makjan and Batjan and the sultan of Tidore agreed in 1667. His premium amounted to 2400 rixdollars per year (Stapel, 96, pp. 102/8). On the seas, especially in the Straits of Sunda, the V.O.C. had cruisers which investigated whether native ships had a V.O.C. passport and whether that passport corresponded with cargo and destination. These cruisers were manned with a choice species of bloodthirsty ruffians. In 1680 it was necessary to remind them that ships with proper passports must not be damaged, and that the crew of ships without passports that surrendered without resistance were not to be murdered. Such captured crews came to form part of the V.O.C. slave stock (De Haan, 45, III, p. 252, 257).

Malacca: Among the rivals of Batavia the first victim was Malacca. The cruiser blockade was already begun in 1633 and its trade was intercepted. In 1639 the city ran short of food. The siege began on August 2nd. 1640. Batavia profited much from the exclusion of Malacca. After the surrender, most mercants went over to Batavia. The capture of Portuguese possessions went on till 1663 when the

peace of The Hague (1661) was promulgated in the Indies. Also the port of Bantam was often blockaded according to the political situation (Stapel, 96, pp. 90/5).

Macassar: Most important was, however, after 1641, the destruction of Macassar as a competitor. Its active people of traders and seamen had already been compelled in 1660 to consent to oust the Portuguese merchants, but the decree had never been executed. After a fierce fight, Macassar was defeated by Dutch and Buginese troops and the Treaty of Bongaia imposed in 1667 in which the Dutch became the exclusive nation admitted to Macassar trade. A sum of 250.000 rixdollars and 1000 slaves had to be paid to the Dutch and a V.O.C. citadel („Kasteel Rotterdam”) maintained in the city. Other defense-constructions were demolished. When the execution met with resistance, Macassar was declared a conquest of the V.O.C. like Jacatra (Stapel, 96, p. 108).

The consequences of this peace treaty were really stupendous. The Macassars who had now been robbed of their trade became vagrants of the sea. Sailing in great squadrons, they committed piracy but also let themselves be invited or invited themselves to participate in political strife. So it happened that their help was called in by a scion of the old Madurese dynasty which had been dethroned by Mataram, named Trunojojo. But before we can go on we must describe the development of Mataram since about 1600.

Mataram till 1675: In the same way that the Dutch had made a great part of the Macassar mercantile marine superfluous by making the port strictly subservient to their monopoly, Javanese shipping had been throttled, first by barring them from the Moluccas and by destroying an important customer, namely the Portuguese in Malacca (1641). For the Javanese princes, this was less serious than for their Macassar colleagues. In fact, they lived from their lands so that income from trade, the money constituent, was largely secondary. Moreover Malacca as a buyer was replaced by the V.O.C. But the Moluccan islanders, subjected to ever more onerous contracts had to revert to their sago-menu again. There is reason to believe that resentment about this added to the motive for attacking Batavia in the first years of its existence. Another reason was the refusal of the Dutch to support Mataram in a campaign aimed to conquer Bantam. The first attack overland was made by surprise in 1628, but the Javanese lacked technical means for a siege. The second attack in 1629 was made with larger forces and even with artillery. Two cour-

tiers who had fallen in disgrace were given the last chance to save their heads by leading a suicide attack of a thousand men on the city. The second army also had to retire after a protracted siege. Before their retreat, the suicide force was duly murdered. The corpses of the two courtiers and 744 followers were found lying beside one another west of the river. Apart from their lack of technical equipment for a real siege, there was another reason for Mataram's failure. In the desolate surroundings round Batavia, no rice could be obtained. During both sieges, hunger accompanied by diseases decimated their ranks. This is another example which shows us why native warfare involved the destruction of crops, i.e. the socalled scorched earth tactics with all their terrible effects for the population. The presence of a "dead zone" of defence round Batavia was therefore very much appreciated. To overcome this dead zone the Susuhunan had ordered to lay up stores of rice along the coast of Western Java. This was a warning for Coen. He sent ships to destroy these storehouses, an order which was carried out successfully. The oncoming of the second army could not be concealed because the march was largely along the coast and lasted four months. If we compare this Javanese attack with the Javanese expedition to Malacca in 1511 when 10.000 Javanese were landed to retake the city from the Portuguese (Winstedt, 109, p. 44) we can infer two things. Firstly that the Dutch were much stronger than the Portuguese and secondly that Javanese seapower had declined. The Portuguese had already begun the destruction and the Dutch continued. How gradual this process was, however, may be inferred from the following facts. The graduality is the more striking as a few European ships sufficed to wipe out a whole native fleet (45, I, p. 43). In June 1640 Mataram patrolled the waters round Batavia to cut off supplies. In the meantime, rice-stocks were laid up along the Northcoast of Western Java. At the same time the harbours of Mataram were closed for the V.O.C. The same closing of ports was ordered in 1657 and a considerable force sent oversea to Krawang, allegedly a move against Bantam (45, II, p. 3). An embassy from Mataram arrived in Batavia in 1653 consisting of 130 ships and 4000 men. Batavia was kept in a stage of preparedness (45, III, p. 15). Yet it is clear that the Dutch by their exclusive trading policy and by the action of their cruisers had not only caused a decline of Javanese merchant-shipping but also by and by a decline of Javanese seapower. The strong naval position which had enabled Mataram to conquer Madura and to keep Balemboang (the "Oosthoek" or eastern corner of Java) in check had decayed. Certainly they were no longer capable of withstanding the

Macassar vikings: i.e. the conditions for Javanese rule in these far away lands were no longer fulfilled. There were also other factors which contributed to the weakness of Mataram: namely the personal inability of the Susuhunan to bind his vassals to him by presents and punishment: i.e. using "the carrot and the stick". It was however difficult to follow the development of these factors exactly. Certainly it could be expected that after its stupendous expansion the successors would miss the ability to keep their inherited conquests together but it was only when Madura and the Macassar vikings pounced upon Mataram (1675) that its inner weakness was disclosed to the surprised Dutchmen.

From the founding of Batavia on, the relations with Bantam and Mataram had been insecure. For a spell, a modus vivendi between Dutch monopoly intentions and native will to self-determination could be found, but then war again broke out in its well known character, Dutch cruisers destroying and searching the enemy's ships, taking the crew as slaves or killing them outright till a new agreement could be reached. War with Bantam was a welcome means to destroy the competitors there, among them the English. But war with Mataram meant that the V.O.C. was deprived of her rice supply. For this reason the V.O.C. at last (1646) agreed to send a yearly embassy to Karta, Mataram's kraton, in return for a free-trade, allowance for Dutchmen in the Sunan's country. They were so anxious to keep an uninterrupted rice supply that they took upon themselves this humiliating duty, which was the more detested as Susuhunan Amangkurat was one of the most bloodthirsty monsters recorded in history. Not only the conquered territories, but also the Javanese, high and low, lived in constant terror of the tyrant, whose human hecatombs were alternated with silly pastimes as cockfights and flying kites. He even became completely imbecil, herding goats in the gardens of his kraton. No provision for orderly rule had been made in spite of his insanity.

Macassar vikings pounce on Mataram: Such was the situation in Mataram when Trunojojo and the Macassars fell upon it (v. Deventer, 35, p. 225). Amangcurat had very little support from his people. His navy was destroyed: one port after the other was taken. Macassars and Madurese penetrated as far as Kediri and even occupied the kraton in Karta. Amangkurat fled to the V.O.C. but died on the way in Cheribon. His son Amangkurat II threw himself into the arms of the V.O.C. The V.O.C. had already, without having been asked for help, destroyed the Macassar fleets and had so made their

retreat impossible. The resolution however to take Mataram under her protection, meant that for the first time Dutch troops had to be sent into the unknown inland. It meant also that a relationship with Mataram had been established, a relationship which was no longer in accordance with the role of a pure merchant but must lead to the assumption of sovereignty over large territories. Even before the V.O.C. had restored Amangcurat II, this prince had already agreed to the following conditions (1677/78): 1°) The V.O.C. had freedom to trade in Mataram and was not subject to any excise, duty or toll; 2°) Krawang and West-Priangan west of the river Pamanukan were placed under the Sovereignty of the V.O.C.; 3°) Samarang plus surroundings became property of the V.O.C. as a pledge for the payment of warcosts; 5°) Mataram's rice export was to be sold only to the V.O.C.; 6°) a Dutch fortress was to be maintained in the new residence of Kartasura. Under many privations and hardships the Macassars were defeated and Trunojojo taken prisoner. His end came rather by surprise. Amangcurat II desired to see the prisoner and when Trunojojo was brought before him treacherously buried his krish in the hero's heart. The princes of Grissee, who had used the opportunity to throw off Amangcurat's yoke were exterminated.

Mataram becomes a V.O.C.-protectorate: From then, the V.O.C.'s relation to Mataram became ever stronger.

In three succession wars, the first from 1704 : 1708, the second from 1719 : 1723 and the third from 1749 to 1755 the V.O.C. had to interfere. Moreover the V.O.C. had to quell a rebellion by Paku Buwono II in 1743. Of this rebellion of 1743 we must give a short description as it was connected with the Chinese disturbances round Batavia. According to J. P. Coen, there could never be enough Chinese in Batavia as they were very useful and at the same time so pusillaminous that they could not become dangerous (46, p. 60). But the Chinese came with every tea-junk in growing numbers. So many came in the 18th. century that not all could be constantly employed. It was now resolved that each Chinese had to acquire a permit to stay. Unhappily the V.O.C. officials whom this concerned tried to squeeze the Chinese by demanding bribes. Those who could not or would not pay these bribes had to do without permits and expose themselves to hard measures. These Chinese united in bands and infested the "Ommelanden". On July 25th, 1740, the government decided to make an end to this by organizing a razzia. The rumour spread, however, and caused a panic among the Chinese who now united in small armies and revolted against the V.O.C. This again

caused a panic among the non-Chinese Batavians who feared that the Chinese citizens had entered into conspiracy with their connationals in the Ommelanden. The result was a disorderly massacre of the Chinese in Batavia, a fine opportunity also for plunder. Reports contend that 10.000 Chinese were killed in the city (Stapel, 96, pp. 141/6). There had been, however, never more than 5000 Chinese in Batavia, so that the number is greatly exaggerated (De Haan, 46, p. 382). The results were very serious for Batavia's economic life and also for the sugar-culture in the Ommelanden. Most mills changed hands and became the property of Europeans. The Chinese after 1741 were compelled to reside in a Chinese quarter. Even in 1770 the Chinese colony had not quite recuperated from the blow. The Chinese of the Ommelanden were driven away. They marched off to the east, their ranks swelling with local Chinese where they came. They conquered Rembang and Joana and killed the Europeans. They besieged Semarang without success. Paku Buwono II collaborated with the Chinese, at first secretly, but soon openly. The Dutch citadel of Karta was besieged and taken. Officers were put to the sword. The men were spared if they embraced Islam. But V.O.C. troops, together with auxiliary troops of long maltreated Madurese, were sent to quell the rebellion and Paku Buwono II soon regretted having begun at all. He begged for mercy but was now repudiated by his own followers and the Chinese. These chased him out of his kraton in Karta and proclaimed another Susuhunan. Paku Buwono now quite humiliated himself before the V.O.C. and was restored in power. His kraton Karta having been desecrated, he built a new one in Surakarta. He was compelled to declare that he owed his empire to the mercy of the V.O.C. His prime-minister had to be approved of by the V.O.C. Madura was taken from him as a reward for the Madurese. Moreover, the N.Eastern coastlands including Surabaja were ceded as well as Pasuruan plus hinterland. On every occasion the V.O.C. acquired more influence and Mataram became a protectorate. In 1755 the rest of Mataram was divided between two of the rival pretenders. From this day on there are two sultanates on Java, that of Surakarta and that of Djokjakarta. In 1768 the "Oosthoek" was conquered and Balembang therewith destroyed. Madurese and auxiliary troops distinguished themselves here. Madurese regents were appointed in the desolate region and Madurese colonists flocked in, giving the "Oosthoek" the Madurese character it still possesses. The reason why the lax Van der Parra acted was the impending settlement of the English here (v. Deventer, 35, II, Chs. XVII and XVIII). By and by Mataram had been dismembered of Western Java, the Northeastern

coast regencies (the socalled "mantjanegara's") and its eastern provinces. In the North it had been shut off from the sea.

Bantam was crushed in 1648 on occasion of a succession war. The Company's protégé, Sultan Hadji, accepted for Bantam the status of a protectorate, paid war costs (600.000 rixdollars), agreed to a Dutch citadel (Speelwijk) in his capital, gave the Dutch exclusive rights of trade in Bantam and the Lampongs. The Lampongs, the pepper-producing possession of Bantam in South Sumatra, was completely placed under V.O.C. control in 1733.

As the V.O.C. became a sovereign, she adopted other ways of acquiring the products she sought. Instead of delivery by contract, onerous though they already were, came real tributes socalled „contingensten". The career of the V.O.C. as a territorial power, however, will be dealt with in the next chapter.

CHAPTER VII

THE V.O.C. AS A SOVEREIGN

Direct and indirect administration: It was a gradual transition which changed the V.O.C. from a merchant to a sovereign. Also there were so many shades and variations that it is difficult to fix a dividing year, not for a separate region, but for the V.O.C. as such. In Amboin, in Batavia and surroundings, and in Banda, the situation is clear. The Dutch conquered and instated their own administration, generally headed by a governor. But in most cases native princes had parted more or less with their sovereignty and transferred it to the V.O.C. This remained so till 1898 when the hundreds of petty princes and chiefs, generally on the outer islands, who had not yet been subjected to an individual contract (see map No. 2) were made to sign a socalled "short declaration" (Korte Verklaring). Even if there were no Dutch officials or troops yet, of course, even before that date the Dutch were the sovereigns to the exclusion of every other power. Such a form of sovereignty could very well be assumed by a mercantile V.O.C. When we therefore speak of the V.O.C.'s evolution from merchant to sovereign, we mean that territories were subjected to the V.O.C. administration. Of course an active administration of a territory may, and often must, take place through native authorities and institutions which are already there. Very often a new ruler only occupies the place left by his predecessor. This was generally the case with the V.O.C. Few of her tributes and services were newly imposed: most were taken over from the native rulers or only modified.

Even if the native authorities are maintained, the Dutch speak of „direct administration”. Only if the sultan is at the head of the government though under contract and supervision, do the Dutch speak of "indirect administration". This division is not the same as that made by Furnivall between direct and indirect rule (40, p. 8).

Direct and indirect rule: Furnivall's criterion is not so much concerned with the substitution or supersession of native by white authorities but with the spirit of the new regime. If it leaves social framework and principles generally intact, he speaks of indirect rule. If the new rulers bluntly subject the conquered people to their own

uniform and impersonal laws, Furnivall speaks of direct rule or the "rule of law". It is clear that the application of direct rule means intentional disintegration of the native civilization with all effects like moral disintegration, vice and criminality. It means casting away the old standards of conduct without substituting others as the impersonal foreign law can not be anchored morally in the native mind. It is clear from this that the terms "direct" and "indirect rule" in Furnivall's work don't reflect the essence of the distinction. It would be better to speak of "conservative" and "adjustment" rule, adjustment in the sense of a one-sided abrupt change of the subject-country to comply with the ruler's political and economic structure.

The Dutch generally clung to a conservative policy. Where, however, a city like Batavia had to be built in a perfect wilderness or where the Portuguese had already modified native society (Ambo) the Dutch implanted their order of things. Batavia, not only in its architecture but also in its municipal institutions, was a completely Dutch city.

Christianization: In Ambo the presence of a Catholic native community was unbearable to the Dutch. The Catholics were given freedom of conscience in 1605 but Protestant ministers were sent at the cost of the V.O.C. to reform them to Protestantism which succeeded without much trouble, maybe even without the natives noticing much. The Mohammedans, however, did not annoy the Dutch. They belonged to the country as it was before the Portuguese came. No serious efforts were made to convert them. In fact, the Mohammedans in their resentment of Portuguese proselytizing had been helpful to the Dutch in conquering the place. Had the Portuguese not begun conversion, then Ambo at the present time would not have been a Christian island. Only the attraction of the Dutch schools and their influence on the minds of the pupils caused the gradual disappearance of the Muslim creed. There was, however, no intentional conversion. In 1632 the Amboinese feared being forcibly baptised: this, however, was not done (De Haan, 45, III, p. 221). In 1685 we see the Muslim community of Ambo direct a petition to the governor to forbid a new Mohammedan sect, which prescribed such long rosaries that people could not attend to their wives (45, III, p. 325). In Batavia, Christianization of slaves met with resistance of the owners. Not only was the V.O.C. not interested in conversion but even the clergymen were highly indifferent. Many of the clergymen were absorbed by private dealings even in slaves. Many examples of their business propensity are given by De Haan (45, IV, p. 214). In general, however, the Dutch maintained

the old native institutions, modified as little as necessary, usually seating themselves on the same throne as the old ruler and continuing his claims and tributes. It is to be doubted whether the V.O.C. preference of religious and administrational conservation was based on principle. It is more probable that the V.O.C. and her servants were only concerned with making money. In the conquered territory of Jacatra no other but the Reformed Christian religion was allowed to be taught. Yet Spanish missionaries who in 1642 had been taken away from Formosa were allowed to preach in Batavia. In 1643 a Chinese temple is reported. When in 1647 the bailiff made an end to the idolatry there, the fiscal ordered him to prove that the Chinese religion was really idolatrous (De Haan, 45, III, p. 12). After having elucidated the mentality of the Dutch, we may now proceed to describe in detail how they came to develop to sovereigns. In doing this, we shall chiefly be concerned with the island of Java.

The spread of Dutch government: When Jan Pietersz. Coen claimed the whole region between Tjisadane and Tjitarum to the Indian Ocean in the South as belonging by right of conquest to the jurisdiction of the V.O.C. this was a completely arbitrary and theoretical proclamation. In practice, outside the walls of Batavia no order except that of the wilderness prevailed. Professional hunters went out there to provide the market with game. Woodcutters were sent out to provide building material and fuel. The usual roads were the many smaller and larger rivers. Hunters and woodcutters were there, however, at the risk of their lives for marauding troops of Bantamese, socalled "moeskoppers", might turn up at any moment. That these bands of pillagers were intentionally sent by Bantam to infest the surroundings was clear. The pacification of the surroundings, which had to precede the actual development, was therefore dependent on an agreement to this effect with Bantam. This was not so easy as the V.O.C. was intent on extinguishing Bantam's trade. Such an agreement was reached in 1632 but not for a long time. Every time that a new conflict broke out the marauders reappeared, burning and killing what they found on their way. Definite exclusion of these bands was only reached in the year of 1684, the year that Bantam became a protectorate of the V.O.C. One time in 1751 when Bantam revolted, the Ommelanden were again scourged by bands (45, I, p. 267). Other marauding troops were formed by fugitive slaves, generally of Balinese extraction. They were the counterpart of the Spanish-American "cimarrones" and the later Surinam "Boschnegers". These bands increased especially after ca 1650 when slaves from India and Arakan were quite supplanted by

slaves from Celebes and Bali (46, p. 350). The Balinese bands grew in importance so that they played a role, even in politics, against the V.O.C. Like with the Boschnegers of Surinam in the 18th. Century (Waetjen, 105, p. 48), the Dutch tried to settle the problem of Balinese bands not only with force but also with bribes. Against a general pardon and the allocation of rice and money, the Balinese cimarrones were induced by G. G. Camphuys (1684 : 1691) to settle in a kampong in the Ommelanden (45). So about the same time that the Bantamese forays were stopped the Balinese bands were also brought to peaceful settlement. We can therefore distinguish between an uninhabitable period (till 1633), an unsafe period (1633 - ca 1684) and a safe period (after 1684) in the Ommelanden.

Chinese sugar-culture: In the unsafe period of 1633 : 1684 much was already done for the development of the surroundings ("Ommelanden"). This was wholly the work of the Chinese, a notoriously pusillanimous race at the time, but nevertheless so much bent on profit that they might forget their fear. These Chinese struck into the forests and began to cultivate and prepare sugar. Land could be had for nothing and the teeming millions of China sent off enough of her sons to Batavia to supply the labour. The simpler mills were driven by oxen, the more intricate clung to the river and to self-dug canals. The sugar-cultivation of the Ommelanden represented the ladang-type i.e. a piece of woodland was cut and burned and sugar cane planted till the soil was exhausted. Of course, the cane was not planted every year but as in Cuba was left partly in the soil and allowed to develop new shoots (ratoon-system). This ladang-ratoon system of sugar-cultivation was an important destroyer of the forest vegetation as well as a destroyer of the already poor soil. The poor soil generally was already exhausted after two or three crops (G. H. v. Soest, 92, I, p. 64). The organizers of sugar-cultivation were rich Chinese, especially the captains of the Chinese Jancon (1637) and after him, Bingham. The degree of monopoly exerted by the V.O.C. over the export of sugar was not clear till 1750. The V.O.C. demanded what she needed at arbitrary prices and sometimes forbade private export. A definite rule did not exist. The Amsterdam refineries generally bought crude sugar from the West Indies and Batavia sugar largely served as a stop-gap. The irregularity of purchases was a serious check to Batavian sugar-cultivation and it was well that Persia, India and especially Japan were more regular customers (Koningsberger, 49, IIa, p. 282). In 1750 G. G. Mossel proclaimed a V.O.C. monopoly of sugar export but could not guarantee purchase of the whole produce.

During some period in the 18th Century, the surplus could only be exported privately by the Shahbandar i.e. the V.O.C. receiver of the customs and by the commander of Batavia's roadsted. The Chinese cultivators took credits from rich connationals and V.O.C. officials, which were repaid in sugar. The risk of marketing was therefore largely shifted to the creditors who therefore stipulated usurious conditions. As already remarked, the Chinese also provided the labourers. In the 18th Century however Javanese coolies, who marched two to three hundred kilometers to their employers, were recruited especially in Cheribon (46, pp. 325/6). This stream of Javanese coolies is sometimes given as an exceptional case of free labour in those times. In fact, however, the coolies had been compelled to enlist with the recruiting mandadors by their own chiefs. These chiefs received money for their intercession and had such authority over their people as to make them do almost everything. Yet also the native chiefs were not free as the V.O.C. and her officials were interested in sugar-cultivation and could exert enough pressure to make them comply (Burger, 24, p. 18) (De Haan, 46, p. 326). As the attentive reader will already have surmised the shift from Chinese to Javanese coolies must probably be related with the Chinese disturbances of 1741. The Javanese labour supply therefore could not have been spontaneous.

Foreign Kampongs: By the destruction of the forest, Batavia got a more open space round her which could more easily be controlled. In these surroundings i.e. outside the city walls, the V.O.C. settled people from all parts of the Archipelago, each people in its own kampong, with its own dress and headman. In 1656 there arrived a number of Ambonese warriors, who had been auxiliary troops for the Dutch. In 1663 a site was allocated to a Buginese chieftain, who had fled to Batavia with his followers after a frustrated attempt to revolt against the then still powerful Macassar people. A number of Macassar ex-prisoners of war was also settled in the vicinity. All these people had come as soldiers and from their midst volunteers were drawn in every campaign. There were also warriors from Bima and Sumbawa etc. They usually received a small salary and a rice ration from the V.O.C. The Macassars e.g. got 2 reals and 40 pounds of rice per month and per head (46, p. 373). Representatives from the trading nations had already flocked to Batavia earlier, so the Malays, Tamils and of course the Chinese. The Chinese, however, lived within the city. Remnants from Banda had already arrived in 1621.

Private estates: It was after 1684 that the Dutch penetrated deeper

into the Ommelanden. The now secured safety from marauders made the demand for land increase to such an extent that, since 1684, land could be acquired from the V.O.C. only against payment. Many higher officials who intended to remain in Java after the lapse of service bought themselves estates. These did not serve for gainful purposes but for the convenience and pleasure of their owners. In the beginning, they were usually farmed out to Chinese sugar-planters, who returned the land after it had been exhausted. As the lands did not possess inhabitants the owners of these socalled "particuliere landerijen" (private lands) had to bring slaves with them. Cornelis Chastelijn sent a ship to Bali to buy slaves who had to make sawahs for him (46, p. 312). There they lived the life of patriarchs amidst their concubines, servants and slaves. These estates however, had no economic significance as they had no creative population (46, p. 341) (Ottow, 78, p. 22). They did not contribute even to the foodsupply of the city of Batavia except by keeping much cattle (46, p. 527).

Acquisition of Western Java: More important were the inhabited lands farther east than Batavia. Batavia, as a centre of money-economy, had already very soon attracted a flow of produce to its market. Rice was bought, not only from Japara but also from Cheribon. Native chiefs from Krawang sent about 600 head of cattle per day over land to the Batavian market. Moreover, wood, pepper, tobacco and salt were sent to market. Unhappily the communications were often disturbed by Bantameese bands (De Haan, 45, III, p. 26). Sometimes money was needed by the chiefs for the purpose of buying European imported articles: shotguns, clothes etc. But often also money had to be earned to pay the head tax to Mataram. Apart from services and quantities of yarn and fish-paste, the Susuhunan at least since 1655, demanded a head-tax in money. In this way he profited from the foundation of Batavia. The regents there then ordered teakwood to be cut and sold it to Batavia (45, I, p. 26).

The Priangan and the coastal plains in the North were a poor country. They had not much to sell. For Mataram they ware no more than a back-country. When the regents from the Priangan paid their yearly visit to Kartasura, they were put to work on all kind of humiliating jobs such as weeding grass before the Kraton.

This poor region was, by and by, brought under the sovereignty of the V.O.C. In 1677 the space between Tjitarum and Pamanukan extending southwards to the Indian Ocean was added. The V.O.C. at the same time began to influence the regents east of the Pamanukan. The V.O.C. assured them that there was no harm in this since it was

the ally of the Susuhunan (45, I, p. 40). In 1681 the sultans of Cheribon placed their country under the protection of the V.O.C. and expelled the English (45, I, p. 51). In 1704 in the First Succession War, the whole of Western Java, as limited by the Tjilosari in the North and the Donan in the South, was ceded to the V.O.C. The task of governing a totally unknown country of that size was heavy. Not one faithful map existed of the new territory. The regents were sent their formal appointments in 1704. In 1705, it was stipulated that they had to stimulate the cultivation of marketable products. In 1706 a prince from Cheribon (Pangeran Aria Cheribon) was appointed supervisor of all the regents under the Resident of Cheribon. He served till his death in 1723 and was fully occupied with enlarging the yield of tribute articles (especially teak and cotton yarn) and with keeping peace between the regents. The stocks of teakwood along the North-coast of West Java were completely exhausted by the Dutch. The forests were cut without consideration of the future. The teakforests of Pamanukan were already exhausted in 1691 and needed more than one hundred years to recuperate (I, 45, p. 88). German woodcutters had been sent out and to them were added a ship's mate and carpenter who were experts on naval stores (45, III, p. 380). Yet most naval stores were still brought from Europe (45, III, p. 472). The regents had improved their position as they were allowed to levy the headtax to their own advantage (45, I, p. 26). Yet the importance of the Priangan was very restricted. Its poor and scarce population which had been decimated another time in the years 1676/77 (45, I, p. 58) could not perform what Ceylon performed for the V.O.C. But this would change in a short time after the introduction of coffee-cultivation by the Dutch.

Introduction of coffee-culture: Since 1663 Mocca-coffee had been sent to the Netherlands. Now it happened that Nicolaas Witsen, a patrician and burgomaster of Amsterdam, at the same time "bewindhebber" of the V.O.C. had a great interest in botany which he practiced on his country seat. This interest was shared by his nephew Joannes van Hoorn whose father had been ruined in business and who therefore went to Java to restore his fortune. In this he succeeded very well. He became G.G. (1704 : 1709) and was then estimated at ten million guilders. Van Hoorn was the owner of several private estates round Batavia. At the instigation of Nicolaas Witsen, he began to plant coffee as an experiment. In 1706 he sent the first samples to Witsen as well as a number of young plants. These plants became the ancestors of South American coffee. In 1707 van Hoorn ordered young plants to be distributed to the chiefs of population in Cheribon and Jacatra.

Only the moral authority of the regents could induce the population to start work. The first delivery was made by Wiranatu, regent of Tjiandjur. As a reward for his exertions on behalf of coffee-cultivation his regency was enlarged by G. G. Zwaardcroon (1718 : 1725). The family of the regents of Tjiandjur rose from relative unimportance to great prominence and wealth. As, however, they could not boast of an old lineage, they did much in later times to acquire the reputation of Muslim orthodoxy. Once acquainted with coffee-cultivation, the natives developed a liking for it. Moreover, decent prices were paid by the V.O.C. namely, 50 guilders per picol. After having been shipped to Amsterdam, coffee fetched something like 120 guilders in the auctions. In 1720 more than 100.000 Amsterdam pounds were sent thither and in 1723 even more than one million pounds.

Organization of coffee-production: How was this production organized? The regents were considered as the partners with whom the V.O.C. traded. The regent gave out planting material to the headmen of the villages through his subordinates. The headmen then chose a place in the forest which seemed suitable. There a coffee garden was made. For three or four years the exertions of the people were not yet repaid. But after three years, the trees began to produce. The coffee was picked, dried in the sun and delivered by human carriers into the district's storehouses. This transport was not separately paid for. But transport from the district's storehouse took place on a commercial basis. The regents were generally transport-contractors. They kept thousands of buffaloes which were, of course, maintained by servile labour. On the backs of these buffaloes the coffee was transported to Buitenzorg on the Tjiliwung and Gintung and Tjikao on the Tjitarum. Caravans of a thousand and more buffaloes arrived there and deposited the coffee in big V.O.C.-storehouses. From there the coffee went with big proas to Batavia. Sea transport was generally avoided. The proas had to be hauled through narrow canals and were sometimes even rolled over land. When pirates became more numerous near Batavia and especially when after 1795 English warships could intercept sea transports, pains were taken to reduce sea transportation of any kind. In Batavia the coffee was paid by the V.O.C. to the regents who often accompanied their caravans. The regents then again paid themselves and their people.

Transportation was a tedious affair as a buffalo could only carry 100 pounds of coffee. Carts could not be used on account of the bad roads. Two men attended every five buffaloes. Food for these men had also to be carried along on buffalo back.

Price-reduction of coffee: The reader will not be surprised to learn that the reasonable price of fifty guilders per picol was considerably lowered as soon as coffee cultivation had been firmly introduced. In Cheribon the price was lowered to the half in 1725 (45, I, p. 123) and in 1726 followed a general reduction to 5 rixdollars or 12½ guilders at delivery in Batavia warehouse. The interest of the natives after this reduction diminished visibly so that serious penalties had to be announced against those who extirpated their gardens. It was on this occasion that the V.O.C. distinctly claimed the sovereign possession of all uncultivated soil. Coffee-gardens which had been made on its order were the property of the V.O.C. (45, I, p. 126). (Stapel, 96, p. 129). The regents however remained anxious to promote coffee-cultivation. In a short time they had risen from insignificant chiefs to grands seigneurs. The rich regent of Tjiandjur bought the right to drive in a gilded coach during his stay in Batavia. The privilege cost him 10.000 rixdollars (45, I, p. 357). After having received what was due to them, they wasted their money shopping in Batavia. These were the regents who not so long ago had been glad with a present from the V.O.C. of some 30 guilders. The net-income from coffee of the regent of Tjiandjur was 39.000 rixdollars in 1798. The regent of Bandung had 21.844 rixdollars (45, III, p. 707).

When the price of coffee was reduced, the regents laid the burden on the common people whose money receipts shrank to almost nothing.

Compulsory systems: Needless to say, compulsion had to be applied to compensate the lack of money incentive. Now the position of the noble regent was very strong. Their power over the people was virtually unrestricted. They could demand arbitrary services and tributes from them. The common man was not respected even in his rights of husband and father (45, I, p. 367). Corporal punishment like lashing and block arrest (i.e. hands and feet were closed in a rack) were at discretion of the regents. Inconvenient persons were cleared out of the way by assassination. The cane and the "block" were present everywhere, even in the coffee gardens (45, I, p. 368).

Yet it is surprising that the regents could succeed in applying compulsion to a moving ladang population in a country so thinly populated that they could easily dodge the regent's grip. In fact, our thesis that only a sedentary population can be subjected to compulsion finds support from a very authoritative side. Nicolaus Engelhard, a high official in the V.O.C. and one of the best sources on the V.O.C.

system of Java, said in 1800 that no native could be forced to plant coffee if he were not the owner of sawahs (45, I, p. 371).

It was also to create docile subjects that the regent encouraged sawah-cultivation. The regents often imported people to make sawahs for them. Circa 1745 the regent of Sumedang summoned people from Limbangan, a sawah region, to transform part of his hunting grounds into sawahs. The governor-general van Imhoff and successors ordered Javanese people to make sawahs on the estate of Buitenzorg (45, I, pp. 368/9). As however sawah-cultivation did not amount to much in the Priangan even as late 1750 there must have been means of pressure on ladang people which are not recorded. In fact, ladang cultivation simply does not fit into a feudal organization of regents. According to old Sundanese adat, customs which had grown in a ladang civilization, everybody might choose his own lord. According to Javanese adat, the peasants were tied to the land and to their lord. The regents in principle of course had the latter opinion. But when they could entice people away from another regent, they maintained the former view. The newcomers now did not become serfs but personal vassals of the regent. They made sawahs for the regent on which they became "métayers" or share-croppers (45, I, pp. 361/2). Now it is our opinion that the people could only be brought to work when their crop was still in the soil but that they were liable to flee when they had harvested and had consumed most of their stores. Then however, they arrived with their new lord without means of subsistence and were compelled to do any labour — even making of sawahs — for which they received rice.

The sawahs which were made in this way became the private property of the regent (cf "res privata") and not a possession ex-officio of which he had only usufruct (of "patrimonium caesarum"). The migrants belonged to the household of the regents and were not subjected by him to coffee-cultivation services. In 1809 even two thirds of the population of Limbangan were such vassals (menumpangs) and only one third were considered to be tied to the soil. Small wonder therefore that the V.O.C. ordered (1789) that the menumpangs should also be subjected to services in the government "cultures" i.e. in the coffee culture (45, I, p. 363).

The general impression of the coffee culture in West Java, or as it came to be called, the Priangan-System, is that its working has not been completely explained. The close link with sawah cultivation is beyond doubt. There were however very few sawahs even in Tjiandjur, the most important producer of coffee. Radermacher, member of the India Council, who made a trip round the volcano Gedeh per palan-

quin over the Puntjak-pass past Tjiandjur and Sukabumi and so back to Buitenzorg and Batavia wrote about this journey as follows: "Now we have been round the mountain but one only sees poverty and misery and the mountain which seems always the same so that I cannot ever recommend this trip to anyone" (De Haan, 45, II, p. 730). The traveller who makes the same trip today will be struck and filled with admiration for the magnificent landscape of terraced sawahs against the gentle mountain slopes especially near Tjiandjur. So our question which receives no answer from present investigations is: "How could important supplies of coffee be forced from an unwilling population which by its small number and its roving ways would have been able to dodge the government's grip?" Moreover, symptoms of flight have been recorded. Villages which had been deficient in its "culture" services and feared punishment always fled in a body (45, I, p. 376). Also they left their villages temporarily; namely, in the wet season when the planting of coffee took place. They then returned afterwards (45, III, p. 629). We shall later see that Van den Bosch' Culture System could not be perpetrated in Bantam and South Priangan because of the prevailing ladang-culture of its inhabitants.

Priangan-administration: The introduction of coffee made the Priangan a country that could compete with Ceylon in the last of the 18th Century as far as the value of its tributes were concerned. Of course, the V.O.C. intensified its control on the administration of the area more and more. At first the native chiefs in West Java wrote directly to the G.G., even about trifles. This practice was discouraged and the correspondence with the regents from the surroundings delegated to one of the Councillors of India. When, however, the coffee-culture developed quickly a special "Commissary of Native Affairs" (Gecommitteerde tot en over de zaken van den Inlander) was appointed (1727) who was not a member of the India Council. This official had many duties, judge, prosecuting-attorney, inspector of the government "cultures", military leader in case of disturbances. The contact of the regents with the government had to go via his office in Batavia. He paid out what was due to the regents and also engaged in private business by lending them money of which the regents were too ready to avail themselves. Moreover, he was the sole one from whom trade goods like textiles, salt and opium might be bought. The regents paid him money for their nomination and gave yearly presents. The regent of Tjiandjur in 1776 paid 30.000 rixdollars to Commissary van Riemsdijk for his nomination (45, I, p. 296). He had a share of the socalled "overweights" which were demanded from the poor

peasants. When the V.O.C. demanded 100.000 picols of say 120 pounds the administrators of the terminal storehouses in Batavia, the Commissary, the military commanders and storekeepers at the river transit harbours, the regents, the smaller storekeepers, all increased the weight of the picol until the peasant had to deliver picols of 240 lbs.

What the Commissary was in Western Java, the resident of Cheribon was in that country. The ship's masters again claimed "overwicht" at the cost of the administrator of the terminal storehouses and again had to part with something to keep the crew quiet. An extra parasite was added in the form of the "overseers" who were attached by the Commissary to every regent to supervise the coffee culture. They were generally non commissioned officers: i.e. they were mostly Germans. A complaint from the regent, however, always caused the overseer to be discharged so that he generally followed the regent's lead and accepted a periodical "douceur" from him. The Priangan-System worked behind a kind of iron curtain. Only people who had received passports from the Commissary were admitted. A spy-system kept the Commissary informed of all what was going on in Western Java, even if he never left Batavia himself. The Commissary was always a relative or favorite of the governing G.G. Until 1725 a certain measure of ability was required but from 1725–1761 ability was not considered and since the time of G. G. van der Parra (1761 : 1775), under whose government corruption reached its apex, people were nominated who were *a priori* unfit. This post as well as those of resident of Cheribon and administrator of the terminal storehouses belonged to the most remunerative. The regents became the all too willing victims of the usurer-Commissary. In 1777 the total debt of the regents had increased to 450.000 rixdollars, which was the cumulative result of the transactions of a number of Commissaries. The G.G.'s, especially van der Parra, gave their commissars money out of the Company's coffers at 3 % to be lent to the regents at 9–12 %. The regents usually signed documents in which they pledged their coffee income so that in 1777 the Commissary van Riemsdijk could even withhold the whole amount of their income and that only in payment of the interest-charges of 12 % (45, I, pp. 205/212). On this occasion the government acted by checking the claims of the Commissary and by taking over the debts of the regents. The same measure had to be taken by Daendels in the year 1808 who however deprived the regents of their right to contract new debts with Europeans or Chinese (45, III, p. 804).

Private estates as a new economic constitution?: Having seen how

the Priangan underwent a metamorphosis by the introduction of coffee culture, we will now stop to see how the private estates of Jacatra developed. The owners also tried to plant coffee but with little success. It soon appeared that coffee grew better at greater altitudes than those of the coastal plains. In 1763 coffee had virtually disappeared from the lowlands (I, 45, p. 130). The owners generally rented their estates to Chinese sugar millers. Also the owners were unfit by inclination and by their other occupations to begin a serious cultivation of coffee. Moreover, the thinly settled lowland suffered from lack of labourers who could be induced to do the work. Baron van Imhoff, G.G. from 1743 : 1750, always full of specious projects, decided to develop the Ommelanden by extending private landownership latifundia-wise into the inland. He, the East-Frisian "Landjunker" applied for the ex-officio possession of an enormous estate named Buitenzorg which was to be carved out of the territory of the regent of Kampong Baru. It stretched to the tops of the Mounts Gedeh and Salak. His idea was also to cultivate coffee. As the estate was, however, mostly uninhabited, v. Imhoff imported Javanese from Tegal and Banjumas to make sawahs (45, I, p. 273). We learn however (45, III, p. 140) that a number of Tegalese took the opportunity to run off. Van Imhoff's successor Mossel (1750 : 1761) gave up all efforts of active landownership and rented the estate to the regent of Kampong Baru, the same from whom it had been taken away. This regent now cultivated coffee in Buitenzorg, in the old feudal-domianal way. Private landownership obviously was inferior to the traditional system in developing the country. Sometimes the regent of Tjiandjur participated in the rent of Buitenzorg.

Cheribon and N. E. Java: The other countries of Java where the V.O.C. founded her sovereignty on the old feudal-domianal substratum were Cheribon and the coastlands of Eastern Java. No new developments, however, took place here. The rice, teak and yarn contingents were delivered as usual. The governor also here assumed the position of sole importer and illegal exporter. The regents here also lent their support, on which all success depended, and on the order of the regent the common man was willing to do almost everything. In Cheribon especially but also in N.E. Java, the Chinese had great influence and linked their interest with that of the V.O.C. With the consent of the governors they rented whole villages (dessahs) from regents, to whom they advanced money. They reimbursed themselves from the harvest. Sometimes the Chinese demanded a special product to be cultivated. Chinese in Cheribon were the chief holders of debt

slaves (Pandelingen) whom they did not even hesitate to put into chains. It is unnecessary to say that the Chinese, in their retail dealings, in the lease of bazaars etc. had many contacts with the governor or resident and that they had to pay well for every concession which they sought to acquire.

CHAPTER VIII

THE LATER PERIOD OF THE V.O.C.

Quality of V.O.C. servants: From the very beginning corruption had existed among the officials of the V.O.C. The reason for this was that they were very badly paid and the reason why they accepted service in the V.O.C. for these low salaries was that they mostly belonged to the outcasts of the Netherlands. But especially this kind of people from the very start expected to find opportunities to improve their income in less regular ways. Already Coen had said that decent people had no necessity to go to the Indies. But he also added that the V.O.C. was served according to her wages. Already in 1620, the Indies were the common refuge for reprobates, bankrupts and thieves (45, I, p. 322). The sailors and soldiers in Coen's time resembled pirates and bandits (45, I, p. 418).

Decent foreigners: Only among the foreigners, especially the Germans, Poles and Swiss, was there a greater portion of decent people. They were the many "ignorant and servile foreigners" of which a citation in De Haan speaks (45, I, p. 277). They had often been deceived by specious tales and came to Amsterdam. Here they got board and lodging on credit. If the young German was enlisted, he wrote a promissory note of one hundred and fifty guilders (i.e. thrice the real costs) which the innkeeper could cash by and by at the V.O.C. office. The innkeepers kept the young foreigners in a state of high expectations. One even gave a soldier a chisel and hammer to gather gold and precious stones. Small wonder these innkeepers were cursed once the soldiers experienced reality. Tame elephants on Ceylon whose job was to entice their wild colleagues were given the names of these innkeepers. (De Haan, 46, pp. 159/160). In fact, there was no gold to be found. The soldiers had to do service barefooted and looked like beggars. All professions were represented among the soldiers. If miners, weavers or what else were wanted, the Batavia garrison, "a university of failed talents" as De Haan says, was asked to supply them. If the soldiers lay in Batavia, they had the opportunity to improve their lot considerably by becoming socalled "freeworkers", i.e. they paid a sum to be freed from service and earned a living as tailors, musicians, teachers etc. (46, pp. 165/7). From among them

were also selected the coffee-overseers who generally had never seen a coffee shrub until their appointment. But even this was more than the Commissary who often never saw one during his service, as he stayed in Batavia. The overseers continued to stand under military discipline i.e. they were subject to lashings etc (45, I, p. 331). It is not surprising to learn after these explanations that most Eurasians were of German descent.¹⁰⁾ The Germans by and by acquired higher positions. In 1811, when Daendels left, most of even the higher positions were held by Germans. In fact there was never a sharp distinction made between Dutchmen and Germans (45, II, p. 561). The natives sometimes called the Germans "Mountain Dutchmen" (Multatuli, 74, p. 420).

Corruption: As long, however, as the V.O.C. was of a more mercantile character we generally see Dutchmen on the posts which yielded great incomes. They had come out as clerks and by and by acquired sub-merchant's and merchant's rank to be sent to one of the widespread factories in India, Persia or Japan. Some striking examples of corruption are given by Stapel (96, p. 133) which we cite. A governor of the Moluccas in the beginning of the 18th Century with a salary of maximum 160 guilders per month could save 50.000 guilders per year. The chief-merchant of Decima, Japan, with a salary of 100 guilders p.m. in fact earned 30.000 guilders per year. The assistant Lodewijck de Roy who died at Decima in 1669 and had a salary of 18 guilders per month had a hoard of gold coins in his coffers amounting to 136.000 guilders. Honest officials were scarce in the

¹⁰⁾ In fact the most conspicuous forebear of the Eurasians in the Dutch East Indies was Pieter Erbervelt, son of a German shoemaker and leather tanner, native from Elberfeld in Westphalia, and a Siamese woman. Pieter Erbervelt, by inheritance, became owner of a country-seat on the Jacatrasche weg adjacent of that of G.G. Hendrik Zwaardecroon (1718 : 1725). The understanding between the neighbours seems to have been bad. Erbervelt was arrested in 1721 and executed in a most barbarous way on the charge of treason. Allegedly he had conspired with native chieftains outside Batavia to massacre the white population. Erbervelt's head, stuck on a spear, was planted on a newly erected plastered brick wall which closed off his estate from the road. On the wall a marble slab with inscriptions in Dutch and Malay forbade anyone to build or plant on that place "now and forever". Every year the head, along with the wall, got a brush of chalk and seemed, after more than 200 years, to be part of the masonry itself. The monument was removed during the Japanese occupation. The author remembers however, that the Eurasian party (I.E.V.) launched a campaign in 1935/6 to have it removed. Though many responsible officials were unconvinced of Erbervelt's guilt — which also F. de Haan doubts (Oud Batavia, p. 271) — the head was left there for historical reasons. In fact, the head had become a — rather lugubrious — curiosity of the city. Picture postcards of the head were generally sold. A photograph may still be seen in Stapel (96).

18th Century. The worse corruption was practiced in India. Stapel (96, p. 133) mentions four of the principal sources of additional earnings 1) "morshandel" i.e. trade for private account with ships and even goods of the V.O.C. While treating of the abuses of the Commissary of Native Affairs, the attentive reader may already have understood that in addition to the V.O.C. coffee, an illegal amount of free coffee was sent to Amsterdam. The masters and mates of course got a share of the spoils. But also from Holland to the Indies such private trade existed in beverages and provisions. What was more and more evident was that corruption had grown into a tolerated and, to some extent, regulated business in which everyone, even the highest functionaries, participated with impunity as long as the unwritten rules were respected and a façade for their dealings was maintained. This was only a true reflection of the dealings of the Dutch regents-families with each other for a fair sharing of the profits of city government at home. Such agreements were even put down in writing and the name of God invoked as if they served pious purposes (De Haan, 45, II, p. 143). In the "morshandel" of the V.O.C. the governors, the G.G.'s and in Holland the "bewindhebbers" and even the prince of Orange took a part. From 1747 the hereditary Stadholder had become supreme "bewindhebber" of the V.O.C. We see William V regularly sending provisions and beverages to the Indies for his own account (45, I, p. 303). William IV sold high offices in the V.O.C. (De Haan, IV, 45, p. 157). Everybody participated but the small shareholder was sacrificed. To the contemporary this seemed quite correct! At least De Haan cites the opinion of an elderly lady about the additional earnings of a relative and shipmaster of the V.O.C., expressed in contemporary literature. She says there that it is unwise to toil only for the benefit of "useless rentiers, idlers, Jews and foreigners" (45, I, p. 307). Three quarters of actual business were smuggle business (46, p. 717).

The other three sources enumerated by Stapel are of different nature. They were not necessarily practices to the detriment of the V.O.C. but were an additional exploitation of the inhabitants of the subjected country. They were 2) overweights of tribute-products, 3) extortion of regents and Chinese, and 4) usury among natives, sometimes even with money borrowed from the Company's coffers. Private Europeans and V.O.C. officials were the most important usurers. Even clergymen practiced usury. Very often loans were made on the coming rice harvest. Numerous European usurers even took up residence in Djocja where they worked among the Sultan's courtiers (45, IV, pp. 777/9). The ladies especially used to give loans on pledge of valuables (46, p. 439). In the field of agricultural usury, Chinese were prominent.

In Cheribon and on Java's N.E. coast they supplied money to the regents who pledged one or more villages to them (desah-lease, desah-huur). So long as the government's contingents were produced the governor did not protest. In fact, very often his, not disinterested, mediation was necessary for the Chinese to conclude the agreement. The agreement was generally for three to ten years (Burger, 24, p. 15). So the regents put the inhabitants with the whole administrative apparatus in the hands of the Chinese who exercised domanial rights and were entitled to claim part of the harvest and part of the labour of the peasants. This claim they could use to require the peasants to plant other crops, like sugar. Desah-lease could also serve as a source of labour for external use. Burger (24) reports desah-lease in connection with search of edible swallow nests (p. 15) teakwood cutting (p. 20) and Chinese saltponds (p. 20). The Chinese again were compelled to sell to the V.O.C. officials so that these were interested in buttressing them (p. 25). Desah-lease was rampant not only in Cheribon, but also in the Principalities (p. 15). In government's territory 1466 out of 16.083 villages were leased or 9 %. The shorter the term of agreement the more inconsiderate the exploitation was (p. 16).

Plantation-types (excursion). The desah-lease in fact was often a way to acquire land and labour for a Chinese plantation. Just as well the coffee gardens of the government could be styled as plantations. Among the different types of plantations analyzed by Waibel (106) we don't find these types represented. Characteristic of the government's coffee plantation was that land and labour was acquired on account of the position of the government as "dominus" i.e. on account of the domanial system. These plantations we therefore propose to call domanial plantations. As the Chinese only leased the domanial rights we call their plantations "semi-domanial plantations". In this way it is clearly expressed that, though they were no domanial plantations they should never be confounded with the later plantations working with free labourers. This distinction will later appear to be very important.

Corruption systematised: That corruption was gradually sanctioned in the 18th Century and became a system may be inferred from the following facts. Generally the salary of officials was withdrawn as soon as they had built up a substantial income from other sources. When in 1780 war broke out with England and communications were broken off, the V.O.C. was brought into financial troubles. Apart from the issue of paper money on Java, the V.O.C. now tapped off her officials.

Higher officials were compelled to buy V.O.C. bonds. A liberal "donation" was required in one sum. Later in 1791 also a yearly "ambtgeld" (office duty) was required of one fourth of the estimated year income. Of course, the "ambtgeld" was shirked as much as possible. The Commissary of Native Affairs P. Engelhard (1798: 1805 with interruptions) was first assessed at 12.000 rixdollars. Later it was corrected to 30.000 rixdollars (45, I, p. 320). His income must then have been estimated at 120.000 rixdollars or 300.000 guilders per year. Considering a) that the festivities of installation of the Commissary cost 10.000 gld. ca 1750 which was spent mostly on European provisions and beverages (wine, beer) b) that the Commissary Rolff (1784 : 1789) built himself a house of 200.000 gld. c) that Nicolaus Engelhard (commissary 1791 : 1798) yearly spent 12.500 gld. on presents to regents and overseers, this sum does not seem to be exaggerated. The Commissary of Native Affairs, in fact, had never been allotted a salary. He paid his house, office and personnel out of his own purse (45, I, pp. 296/7). An attentive visitor could at once see the extent of corruption from the luxury displayed in Batavia. The frugal days of J. P. Coen were past. People practically wore only silk which had to be thickly embroidered with gold and silver. Slaves, mostly females, were kept for display.¹¹⁾.

Festivities with their conventional wines and beers from Europe cost great sums as well as the reciprocal presents (45, IV, p. 192). A European, even if he had come with the best intentions, soon found that he had to adapt himself to local habits or else be repudiated by society.

V.O.C. and plutocracy: It is small wonder that even in prosperous years little money was available in the Company's coffers to pay dividends. Most of the money was needed to pay officials, ships, crews etc who were used by the higher officials for private purposes. On the liquidation balance of Dec. 31st 1799 when the V.O.C. was actually taken over by the Batavian Republic the stock capital was still 6½ million guilders nominally as in 1602. Long and short term debts amounted to 134 ml. guilders (Stapel, 96, p. 186). During the two centuries of its existence, the average dividend had been 18% (Stapel, 96, p. 118). Even when the year 1696 resulted in a loss of 6,5 million

¹¹⁾ Other slaves were put in shops or sent to work to provide income for their owners. All forms of apophora and peculium known among the Ancients existed. Prostitution as a means to pay the apophora was not unknown among female slaves. Old and infirm slaves were often "liberated" in spite of legislation against this phenomenon (46, p. 354).

guilders, 15 % dividend was paid (Stapel, 96, p. 139). This plainly shows how insincere the V.O.C.'s dividend policy was. Dividends were paid not from profits but from clandestine loans received from the Amsterdam Bank of Exchange (Amsterdamsche Wisselbank) the maintainer of the stable bankguilder. As such it was forbidden to make loans to anyone and was under obligation to keep 100 % precious metals' reserves against its recipises. The Amsterdamsche Wisselbank was an institution governed by delegates of the closed and all powerful regents-class and so was the V.O.C.. The V.O.C. had to be maintained to give ruined relatives a chance to restore their fortune. And to maintain the reputation of the V.O.C. it was necessary that it should continue to pay nice dividends which came of course for a good part in the purse of the regents. The money deposited in good faith by the merchants of the Amsterdam staple market was good enough for that.

In the 18th Century we see that no more promotion was possible in the Indies because favorites came out with appointments to take the fat posts which had not yet been bestowed by the G.G. on his protégés (46, p. 150). In the 17th Century several G.G.'s had begun as clerks. There is, according to De Haan (46, p. 561) practically no prominent family in the Netherlands which has not sent her sons to the Indies to accumulate or restore its fortune. Joan van Hoorn, son of a ruined Amsterdam patrician, we have already treated of (p. 59). A similar case was that of A. A. van Tets, who took over 25.000 gld. of his father's debt and entered the service of the V.O.C.. When his uncle P. A. van der Parra became G.G. in 1761, the young man of 21 years became assistant to the Commissary of Native Affairs at 80 guilders a month. In 1769 he repatriated and bought several manors near Dordrecht (De Haan, 45, I, Personalia, p. 60). When Willem van Hogendorp, Rotterdam patrician and favorite of the hereditary stadhoulder, was ruined in business his son Dirk entered the service of the V.O.C.. Barely disembarked, he was nominated resident of Rembang and later governor of Java's N.E. coast (45, I, p. 427). As we have said already, a man sent out with normal authority could only adapt himself to this systematized corruption and nepotism or be ostracized. Only very strong men armed with special authority could undertake to clean the Augean stable and even they were liable to be involved in the old-time corruption by clever "agents provocateurs" of the old regime. So at least it went with Daendels and Raffles as we shall later see.

Decline of Dutch power: As the corruption of the V.O.C. officials

in the Indies was only a reflection of the practices in patria so the military decay of the Netherlands also had its corollary in the Indies. It was even difficult to find experienced crews in the Holland of late 18th Century. Small wonder that the V.O.C. was not able to keep down all those native seafarers, who, deprived of a commercial outlet for their energies, had to resort to piracy. During the government of Van der Parra (1761 : 1775) the pirates made a base on the Thousand Islands in the Bay of Batavia. The pirates' intentions were generally to provision and to drag off the population to the slave market. In 1799 a part of the population of Wijnkoops-Bay on the S.W. coast was dragged away. Nusa Kambangan on the Middle South coast which normally had 3000 inhabitants was empty in Daendels' time (1808-1811). They penetrated Western Java by way of the Tjitanduj and caught 1500 people (45, I, pp. 402/4).

To keep the mixed, unreliable and dangerous population of Batavia and "Ommelanden" quiet, they were not called up for services to the government. In their place shiploads of Javanese labour conscripts were brought to Batavia to dredge the canals (modderjavanen). Also to sooth popular discontent, a kind of annona existed in Batavia since before 1750 in times of scarcity. After 1750 the annona became a regular institution. Rice was supplied by the V.O.C. at low prices (45, I, p. 370). After 1796 oil was added, namely coconut oil and peanut-oil (45, III, pp. 859, 869). Daendels, who was less scared by the population, increased the prices of the annona. Raffles maintained the annona until rice cultivation in the Ommelanden had sufficiently increased (45, IV, p. 458).

Under these conditions every change of world politics might make an end to the V.O.C.. The beginning of the end was the fourth English war (1780 : 1784) in which the Netherlands became involved. The connections with the Netherlands were completely cut off and rich prizes were taken by the English. The government's products had to be sold in Batavia. The auctions there from 1781 to 1783 brought a return of one million rixdollars (v. d. Berg, 16, p. 264). The possessions on the Westcoast of Sumatra and in Coromandel were lost. When peace was concluded Negapatnam on the coast of Coromandel became English. Moreover, the English acquired free passage through the Company's waters. Though this did not mean free "trade" in Company's possessions, yet the possibility of the smuggling of spices from the Moluccas increased. In the Netherlands during the war, the V.O.C. had had to ask suspension of payments, while the government in Batavia had issued paper money (1782), in this case really a symptom of decline. It would take more than seventy years before the

unpopular and eschewed paper-money could be redeemed in silver (1854) (v. d. Berg, 16, p. 90). At the outbreak of the war in 1780 the V.O.C. had to apply to the Dutch Republic for military help. The Republic now sent regiments, not composed of individual Germans who applied in Amsterdam, but closed regiments hired from German princes. In 1781 a corps of Luxemburgers arrived and after the war (1786) a regiment of Württembergers. The last regiment was hired from the Duke of Württemberg for 60.000 guilders per year (De Jongh, 54a, p. 176). Among its officers were noble and cultured gentlemen like v. Wurmb whose intelligent observations, written down and preserved, were very appreciated by F. De Haan. The year 1795 however was to become a catastrophe to the V.O.C. The French penetrated the Netherlands in January 1795 when even the great rivers were frozen, Stadholder William V fled to England and was temporarily sheltered in the palace of Kew. In his capacity of "opperbewindhebber" of the V.O.C. he wrote the "letters of Kew" (7, II, 1796) requiring the Dutch to put themselves under the protection of the English. The government in Batavia, however, decided to keep the side of the Batavian Republic in spite of the fact that connection with the mother country was only possible by using American and Danish ships.

The Batavia Staple market: The visits of American and Danish ships were a salvation to the isolated colonies for the tributary products could not be sent to Amsterdam for auction and the mother country could not perform the necessary payments. So the government in Batavia considered itself entitled, in view of the emergency situation, to abandon the Company's system of sale in Amsterdam and to sell its products in Batavia to the neutral Americans and Danes. The Americans especially were doing a brisk trade all over the world during the wars of the French Revolution. Their merchant fleet increased rapidly. France especially and the occupied areas depended on supply by the Americans. The U.S.A. exported 19 ml \$ in 1792 but 108 ml \$ in 1807. The tonnage of ships engaged in overseas trade then was 123.393 and 810.163 tons respectively (Faulkner, 38, CH X). A very important article in world trade was coffee. The demand for coffee under the prevailing disruption of connections and the ensuing scarcity, was such that Europe was willing to pay practically any price for the American and Danish supplies. The coffee producing countries then were not only Arabia and Java but also the West Indies, especially French Haiti, which had become a serious competitor by 1740 (De Haan, 45, I, p. 136), Haiti however, which produced two thirds

of world production (45, I, p. 136), was suddenly eliminated by the slave rising in 1792, when the French were expelled and plantations were partitioned or left at all. Therefore the whole world was short of coffee. It took some time before the other islands and Brazil could make up for the loss of Haitian production and in this interval Java had the whiphand in the coffee market.

So eager were the Americans to buy Priangan coffee that they even agreed to buy sugar from the Ommelanden in fixed proportions, a commodity which they in fact did not want. The V.O.C.-officials who had an overwhelming interest in sugar cultivation saw to it that the sugar was forced upon them especially since the old sugar consumers, India and Persia, could no longer be reached. Also pepper was added to the products for obligatory joint-purchase. The sale of products in Batavia was highly agreeable to the colonial government though not to the V.O.C. direction and merchants in Holland. This controversy between colonial administration and mother country remained in existence till far into the 19th Century.

Not only the profits of Dutch shipping and auctioning were involved. The primate of the Dutch treasury was opposed to the more discretionary use of proceeds of Batavia-auctions by the colonial government; also connected with it was the stability of the colonial currency.

Paper-money: As normally the most important export items were annexed by the motherland the valutaric ratio could not be maintained by the colony itself. What there was in the way of silver coins would soon be drained to China or hoarded inland. Though auctions were held in Batavia the valutaric ratio could not be maintained as the government after 1795 went on to issue paper-money. It did not help much that the notes bore 6 % interest. The depreciation of the paper valuta can only be ascertained from the increasing agio of silver coins. From 1795 salaries were paid in paper up to 3/4 of the amount. Only soldiers and sailors were exempt in the interest of defense (45, III, p. 746). It became a profitable business for the V.O.C. officials to force paper payments upon subordinates and keep the silver money which was due to the latter in their own pockets. This is what Pieter Engelhard did with the coffee payments to the regents (45, III, p. 751). The silver money was then again sold in the open market and the paper acquired again forced upon subordinates and creditors. There were money changers practically at every street-corner and many of them were supposed to be in the service of G.G. and other high officials (45, III, p. 750).

Though the government forced paper money on her servants and

creditors, she was anxious to receive silver money where possible: e.g., from the American and Danish buyers (45, III, p. 741), and in Daendels' time (1808 : 1811) also from the purchase of landed estates. But we are now talking of a time when the V.O.C. had already disappeared, a period which we will rather describe in a following chapter, though we can not help touching it occasionally here.

Abolition of the V.O.C.: In the sphere of reform and revolution after 1795 the V.O.C., the bulwark of the Amsterdam regents, reconciled with the house of Orange-Nassau since 1747, but the enemy of the progressive French-inspired Patriots, had of course to be overhauled. Beginning with March 1st, 1796, the Heeren XVII were replaced by a Committee (Comité tot de zaken van den Oostindischen Handel en Bezittingen). The constitution of the Batavian Republic of 1798 decided that the V.O.C. would be taken over at the expiration of her charter, i.e. Dec. 31, 1799, for the amount of 140,5 ml. guilders this being 6,5 ml. of stock and 134 ml. of various-term debts. The "Raad van de Aziatische Bezittingen" became the supreme government of the Asiatic possessions.

CHAPTER IX

THE "BATAAFSCHE REPUBLIEK" (1795 : 1806)

Problem of colonial constitution: In the preceding section we have dealt frequently with the period of the "Bataafsche Republiek". That was because, as far as the East Indies were concerned, the Batavian Republic did not bring much news. Being rather sure of what they wanted in Holland, the Patriots did not feel at ease when dealing with a perfectly different country. People who were sent in leading posts to Java were largely isolated there and in Holland itself inconclusive debating went on as to what kind of rule was to be established, whether to continue the Company's tributary system or to replace it by a mere administrative body and open the Indies for private exploitation. The latter idea was more in harmony with the teaching of contemporary economists whether in England or in France. Dirk van Hogendorp, then back in Holland, entertained strong views of the latter character. Exploitation should be substituted for tributation, feudalism should be abandoned for laissez-faire (Ottow, 78, p. 38). As, however, he was not sure that exploitation — being of a private nature — could achieve the same results in the coffee cultivation of the Priangan, and as the colony's position depended on coffee-export, even Dirk van Hogendorp intended to maintain the Company's Priangan system (45, I, p. 443). It must be well stressed, as De Haan does, that it was not Dirk v. Hogendorp's aim to benefit the natives. In the first place he hoped that his system would bring even more profits to the motherland (45, I, p. 441). The opponent of Dirk van Hogendorp in the Committee was S. C. Nederburgh, who had been sent to Java as Commissary General and whose report largely emanated from Nicolaus Engelhard, a staunch supporter of the late Company's system (45, I, Personalia p. 83). Nicolaus Engelhard who had been governor of Java's N.E. coast and Commissary of Native Affairs was a man who had grown rich in the usual corrupt way. He was not dishonest, considering that these conditions had become an accepted system. Different from the snobbish European potentates, he had a real interest for objective research to which his numerous detailed notes on all kinds of phenomena testify. He was not adverse to new ideas as can be inferred from his being grandmaster of the Freemasons at that

time. But his detailed knowledge of the concrete phenomena made him skeptical of sweeping new speculative ideas. He saw very well that no system of free enterprise could as yet replace the Company's tributary system. The Javanese had to be put to work under compulsion, they were not fit to become a "homo economicus". Another trait of the native's character was their extreme respect for worldly authority which was considered by them as being invested with divine rights. "Block" and ratan cane would be patiently suffered as far as applied by the government, but the same treatment applied by an entrepreneur would make them draw their kriss. In the absence of the government's nimbus, the punishment would amount to an unbearable humiliation (45, I, pp. 160, 178, 428). It is not surprising that, confronted with these opponents, Dirk v. Hogendorp could not achieve his aim. No decisions were taken and the V.O.C. conditions practically survived the Batavian Republic. The great problem: "Could the same advantages be reaped from the country under a system more in line with contemporary European thought, i.e. under private enterprise?", presented itself to Raffles and after him to the restored Dutch régime. Finally in 1828 an amphibian, hermaphrodite solution was recommended and clothed in liberal garments. It was to unmask this insincerity that Ottow wrote his Utrecht thesis (78) about which we shall have more to say presently.

War with England: According to the letters of Kew the captured colonies were still regarded as belonging to a State, which had, in the person of its Stadtholder put itself under the protection of England. They were therefore kept only for the duration of the war. But this view could not be maintained. The Stadtholder was not a sovereign and did not represent the old republic. So in the year 1802 at the ephemeral peace of Amiens, peace was also concluded with the New Republic, which was recognized not only by England but also by the House of Orange-Nassau. The hereditary prince of Orange, later King William I, even acquired permission from his father to enter into negotiations with the Batavian Republic about an indemnification for the loss of the Dutch estates of the House. He even bargained with the French first consul, Napoleon, and as a German count, was allotted the former bishopric of Fulda. Small wonder that the English regarded all conquests of Batavian possessions after 1802 as final, so in case of Java which was to be conquered in 1811 (Colenbrander, 28, p. 122). But Ceylon, though conquered before the peace of Amiens, was never returned.

Short revival of the Amsterdam staple: Economically, the peace of Amiens had great significance for the Indies and for Holland. The products of Java had been sold in Holland to the Amsterdam firm of J. J. Voûte & Son. Only one third of the value had to be paid in Batavia from the proceeds of Voûte's import articles, half of it, i.e. one sixth in silver (45, III, p. 742). The colonial silver income which had amounted to 3 million guilders net in 1797/8 was in this way reduced to one sixth of the yearly revenue. Small wonder that the silver agio which was 50 % in 1802, rose further. Even when the new war broke out and products were again sold in Batavia the agio continued to rise to 100 % in 1807, now however on account of excessive paper issue.

In 1805, the centralist party in Holland, the socalled "Unitarists", gained a victory over the Federalists and one person, R. J. Schimmelpenninck was put at the head of the government, something uncommon in a country where up to then only congregations of deputies had "ruled". But by 1806 Napoleon had proclaimed the Kingdom of Holland and allotted it to his brother Louis. King Louis sent a new G.G. to Java, Herman Willem Daendels, who was to leave a deep imprint on Java even though his government was of short duration.

CHAPTER X

THE KINGDOM OF HOLLAND AND THE ANNEXATION (1806 : 1811)

H. W. Daendels: Herman Willem Daendels was a man of long-standing reputation in the "Patriot" party. Having fled to France in 1787 when the Regents' and Orange-party had called in the Prussians to restore the corrupt and decrepit order, Daendels returned as a general under the command of Pichégru in 1795. Together with the Marshall Brune he defeated the Anglo-Russian invasion army in the North of Holland (1799). Having been promoted to Marshall he gave this office precedence over that of G.G. calling himself "the Marshall and Governor-General".

After the long period of inconclusive debating (1795 : 1806), he was to begin a clear and decisive policy. His mandate was primarily military: i.e. to preserve Java from being conquered by the English. Next to Java only Palembang, Bandjarmasin, Makassar, Banda, Amboin, S.W. Timor and Decima remained in Dutch hands when Daendels came out in 1808. While the defense of Java was of primary importance no intention existed to begin experiments, especially not with the introduction of laissez-faire. Yet Daendels was not the man to continue the corrupt V.O.C. system in which tributation and exploitation were inextricably intertwined.

Bonapartist systematism: The introduction of system and regularity was to him a necessity. This meant that the government "cultures" especially of coffee were to become a purely tributary organisation, the profit of which was solely intended to strengthen public finance. His officials, being firmly rooted with their ideas and their money in the old system, could not be expected to promote the transition. The Council of India, in fact sharing the government with the G.G., was soon degraded to a subordinate committee. He took complete freedom to act. Even instructions from the King and Colonial Minister were not obeyed and their correspondence was received with abusive language. Officials were dismissed and others promoted from much lower ranks. In this he promoted entirely on the criterion of ability

and not of personal sympathy. To make sound conditions possible, he fixed high salaries for the officials and high coffee-percentages for the regents and other connected personnel. Corruption was severely punished. Even a European, scarce though they were, was put to death (45, I, p. 461). The sovereign position of the new government versus the representatives of the native society, the regents, was much stressed. Daendels restricted them in their ostentation and the number of their retinue, showing in this way his anti aristocratic attitude. The regents had thousands of people living on their premises, among them dancers, musicians etc. They travelled with a retinue of 200 : 700 people (Burger, 24, p. 32). The regents were now however no longer the other contracting party, who took upon them to deliver coffee, but they became officials employed in the perpetration of the Government "culture". On account of this, De Haan considers Daendels as the founder of the "Priangan System", the coffee system of the government in the Priangan. Moreover, the extension of the Government's coffee system over the whole of Java, already begun before Daendels, was vigorously continued. Of course, the government's grip on the system tightened. Inspector-generals were nominated for the coffee culture as well as for the teak exploitation. Between the "overseers" who were later to become the "contrôleurs" in the N.I. Civil Service (B.B.) and the residents was put a "head overseer", the later assistant-resident. The position of the overseer could thus be strengthened to a real "controller" of the regent's gesture. The regent, could no longer lease villages to Chinese except as a source of labour (Burger, 24, p. 52) and only on behalf of the government. Needless to say, a fixed picol weight was established for coffee delivery. A government auditing court was established, the socalled "Rekenkamer", to check corruption: this also was a great improvement. Not that the V.O.C. had had nothing of the kind, but the V.O.C. "visitateur-général" was a subordinate official whose task was in practice to cover the doings of the Commissary of Native Affairs, the G.G.'s protégé (45, III, p. 728). Daendels' primary object was to fortify Java. For this he shaped, generally from already existing road stretches, a continuous connection, the "Groote Postweg", along the Northcoast from Anjer to Batavia and to Panarukan, practically the eastern extreme (114°E lat.). An army and a navy were built up, generally with native soldiers and vessels. Madurese were much appreciated as recruits (Colenbrander, 28, II, p. 207), though not yet so much as the Ambonese, whom he favored for their martial qualities. The Ambonese were the only natives who wore shoes in service, a distinction which has long survived (46, p. 373). The old fortifications of Batavia, having become obsolete and worthless,

were partly destroyed. In fact, the whole city of Batavia, moved inland. Daendels gave the example by having a palace constructed at the present (or late) Waterlooplein. The names of the private estates began to denote quarters of the city, so Weltevreden, Matraman, Menteng etc. The shift of the capital inland was a necessity. The insanitary conditions of Batavia had become proverbial. The death-rate was excessive. It seems that the year 1732 constitutes the beginning of a deterioration of water-drainage and cleaning of the canals from which people had to derive their drinking-water (46, pp. 697, 690). So malaria, dysentery and typhus became rampant (46, p. 687). Artesian wells were not bored till 1840 and rainwater was not collected (46, p. 690). Batavia in the 18th Century was often called "the grave of the Germans" (46, p. 693). In this adage, reference was made no doubt to the enormous death rate among the newly arrived soldiers, who were generally Germans.¹²⁾ Among the older residents of the city, the news of the death of an acquaintance was received with as much equanimity as "among soldiers advancing amidst a rain of bullets" as De Haan (45) puts it. The defense was concentrated on Java. What was left in the Outer Possessions was neglected except Ambon which was brought in a state of defence and put under the command of a Frenchman. When Ambon was taken by the English in 1810, the commander who had withdrawn to Java was put before the fire squadron.

Sources of public revenue: The financial means with which to perform his task were not sufficient. They were 1) the revenue from government's products sold to American ships. The Danes had been punished for not complying with the English laws of contraband in 1801. In 1807 Copenhagen was bombarded another time and the Danish fleet abducted. Denmark now (1807) joined the Continental System of self-blockade and the Americans remained the only buyers. Maybe in view of the stronger American position, the government in Batavia shortly before Daendels' arrival had sent a negotiator, R. G. van Polanen, to America to conclude contracts for delivery of coffee, spices and other government products. Daendels, however, when he arrived objected to the low prices for spices and refused to keep to the contract. This was the reason, says Stapel, that the Americans since 1808 disappeared from Java. Therewith also the source of supplies of metallic money, arms, ships and provisions stopped (96, p. 206). The same date of 1808 is given by De Haan (45, IV, p. 785). He contradicts

¹²⁾ It was assumed in Batavia at the time that at least 50% of the soldiers expired within one year after arrival, 25% would be in hospital and less than 10% in good health. (Cook, 28a, p. 103.)

himself by saying that little was exported in 1810 (45, II, p. 674). It is a pity that the absence of any authoritative explanation of the problem compels us to refute Stapel on our own authority. Why should Daendels have concentrated so much attention on the coffee culture if the sole buyers had disappeared? To concentrate all effort on coffee, he even abolished other "cultures" (Burger, 24, p. 53). What reason could Daendels have to jeopardize the proceeds of coffee because of the price of spices, a crop of secondary significance?

It is possible that the American producers of coffee had already so much recuperated that only the availability of cloves could induce them to come to the Indies. If this were so, Daendels who himself arrived in Batavia by American merchantman (1808), must have known this. It seems to us that if the Americans stopped coming, it must have been later than 1808. In fact, to augment the public revenue, Daendels ordered the extension of the Priangan system over the whole of directly administrated Java. As Stapel reports himself the number of coffee shrubs in this way increased from 27 to 72 millions (96, p. 200). Is it not therefore more reasonable to assume that other and later events have broken off the contact? If only cloves and nutmegs, for which the Moluccan Islands were still monopolists, drew the Americans to the Indies, then a stop could have resulted from the British conquest of Ambon in 1810. Certainly the English would have continued to sell the spices and would not have objected to their being sold to Europe so long as the American ship complied with the contraband-rules, laid down by the Orders in Council of 1806 and 1807. But Napoleon in that case would have ordered the ships to be confiscated according to the Decree of Milan 1807. The reason must be sought, however, in the control-measures of the English. That these extended also to Batavia is apparent from their blockade of the port 1800. Rice supplies in Batavia became very short but the English departed again, maybe owing to the death toll levied by the Batavian insalubrity. In 1804 the English destroyed the naval squadron of Hartsinck in the Java Sea. The English control-measures in European waters and the French repercussions had led to a loss of 1600 American ships, valued at 60 millions when President Jefferson in December 1807 proclaimed the Embargo Act (38, p. 234), which was frequently evaded and, under influence of shipping circles, repealed in March 1809. In 1810 registered tonnage in foreign trade reached 981.019 tons. Shipping to the Dutch East Indies was however never completely stopped as Daendels' passage by American ship shows, but it may have temporarily decreased also owing to English control of the seas.

2). The second source of public revenue was the sale of private estates out of government territory. Now there was an important legal distinction between the government's rights over the land in the conquered kingdom of Jacatra and in the regions which had been ceded by Mataram. In the conquered regions, the inhabitants were at the mercy of the conqueror, who could levy taxes from them as he liked and could sell the land irrespective of the presence of native inhabitants. In the ceded areas, however, notably in the Priangan, the traditional rights of the natives had to be respected as well as the position of the regents. Regents and private estate-owners excluded each other on the same territory (45, I, pp. 72, 79). When therefore Daendels decided to sell the regencies east of Batavia, he first annexed the region up to the Tjitarum juridically to the Ommelanden (45, I, p. 475). The conquest of J. P. Coen had in 1619 been proclaimed to reach to the Tjitarum so that the elimination of the regents had a semblance of right. But he also did this with a part of Bantam (1808) and in 1811 with regions east of the Tjitarum (IV, p. 859). Raffles went on to sell the estates east of the Tjitarum up into Indramaju and also sold estates in the Priangan. He even exceeded Daendels. Not that Daendels was so prone to respect such subtle differences, but he respected them as far as the Priangan was concerned. The Priangan and its domanial plantations of coffee had to be safeguarded as a source of government revenue (Ottow, 78, p. 51) (De Haan, 45, IV, pp. 858, 875). Daendels did what he could to make the purchase of private estates more attractive and so to raise the proceeds of the land-auctions. The landowner, from 1778 on, could only levy the tithes which the government had been entitled to by right of conquest. The maximum limit was now removed without imposing a new one. The control over the landlord in his dealings with the occupants was lifted (Ottow, 78, pp. 49, 50). Also the services to the estate-owner were not fixed, though in 1778 they were understood to amount to one day per week and transport services, when required, to and from Batavia (Ottow, 78, p. 269). In the already existing estates, the population had been attracted by the owners and had no right to the soil previous to that of the owner. They were therefore more "colones" than serfs and could leave just as their colleagues of the Roman Empire. In 1806, however, a contrary proclamation made them hereditary but tributary possessors of their soil (Ottow, 78, p. 278). A clear statement of their rights had, in fact, never been given up to the 20th Century when the Dutch government decided to eliminate the problem by buying out the owners, in which it partly succeeded. Daendels, though he issued large amounts of paper-money, desired silver prices for the

estates. Many buyers were Chinese. Panarukan, an enormous estate, was carved out of the regency of Probolinggo and sold to Han Kit Ko, Captain of the Chinese, in full property for one million silver rix-dollars (v. d. Berg, 16, p. 76).

3). A third source of income was a forced loan from the well-to-do inhabitants, which could, however, only be levied once.

4). The labour services of the natives for the government may be considered as a revenue in kind. The products of government "cultures", especially coffee, were the result of such services. The services themselves were required for road construction, fortifications, transportation and other military requirements. They were very heavy as the English control of the sea routes occasioned a shift of transport to the landroutes. Even in the time of the V.O.C., the services of the natives had been requisitioned "à discréton" where they were needed. Instrumental in organizing the supply were the regents and their personnel. In spite of all these sources of revenue, Daendels had to issue large amounts of paper-money to bring Java in a state of defense.

Corruption under Daendels: The picture which has been presented to the reader, is, of course, too imposing. The change brought about by Daendels' rule was not so great as it suggests, however much trouble the Marshall gave himself to control the execution of his orders. For this his rule was too short and his tasks too many and too cumbersome. Corruption did not at once disappear and neither did the exploitative oppressions of the native coffee growers. Yes, what was worse, Daendels himself could not keep free of corruption. A certain avidity had already been displayed earlier by him. From his salary of 118.000 (paper) guilders he ordered 68.000 to be paid out to his wife in Holland in silver. Moreover he demanded 45.000 guilders as extra money for the outbound voyage. The latter claim was annulled at once and the former later terminated by King Louis Napoleon (45, IV, p. 861). Finding that after the deduction of 68.000 guilders as allotment to his wife, he did not have sufficient left, he let himself be coaxed by representatives of the old régime, most probably the ex G. G. Siberg (1801 : 1804), to acquire some extra income in an irregular way. He followed a hint given by Andries de Wilde (45, I, Personalia p. 286) — of whom we will have more to say later on — and bought the estate of Buitenzorg making it herewith "res privata". He then lifted the maximum-limit of the tithes. After this he divided the estate in parcels which he sold out. The palace and surroundings, where later the town of Buitenzorg would grow, he let the government buy

back from himself so that it again became "patrimonium caesarum". Before this last transaction he increased the value of the market place by giving important privileges to the Chinese market-farmer. The total transaction gave a net profit of 900.000 guilders (De Haan, 45, I, p. 476-488).

Sugar monopoly abolished: Daendels, as has become clear, did not terminate the government monopolies as a rule. Only the government's monopoly of sugar export was abolished in 1810, when the sugar had practically lost every export possibility. As far as can be seen the Americans in their contract with v. Polanen were not compelled to joint purchases of sugar along with coffee. But the usual consumer markets in Japan, India and Persia had been cut off and it is known that few Americans came in 1810 even for coffee (45, II, p. 674). In 1811 when the English invaded the island, the storehouses were full of coffee. So sugar must have been superfluous at all.

Daendels exit: In 1811 King Louis Napoleon was forced to abdicate and Holland was annexed by the French Empire. Though Daendels remained loyal to the French he was nevertheless called back in 1811, served in Napoleon's Russian Campaign and tried not quite successfully to gain King William I's confidence after 1813. Yet he was appointed governor of the old slave station San Jorge d' Eimina on the coast of Guinea, where he died in 1818, fifty six years old. On Java, he was succeeded by General Janssens, defender of the Cape against the English, who shortly after his arrival had to surrender before the English another time. Therewith another period began, namely that of the English interregnum.

CHAPTER XI

THE ENGLISH INTERREGNUM (1811 : 1816)

Raffles, hater of the Dutch: Shortly after the surrender of Java, Lord Minto, governor general of India, appointed Thomas Stamford Raffles lt.-governor of Java. It was in accidental harmony with his feelings towards the Dutch that he had started his career on the Island of Penang, where the English had founded a trading station (1786) directed against the monopoly of trade exerted by the Dutch stronghold of Malacca by means of sea patrols (Winstedt, 109, p. 50). Raffles may justly be regarded as an ardent hater of the Dutch whom he has tried to damage as much as possible before, during, and after his government on Java. Before 1811 he acted from his base in Benkulen and was largely responsible for the massacre of the Dutch by the Sultan of Palembang in 1811 for which purpose he had sent arms. When the sultan, however, proclaimed his independence, an English expedition occupied the place in April, 1812, and satisfaction for the same murder was demanded by him in the form of the cession of the tin-islands of Banka and Biliton (Stapel, 96, p. 215). During his time in office he tried to destroy the Dutch-East-Indies' monopoly of cloves and nutmegs by sending seedlings to Penang and to the West Indies (Grenada). After his rule, he tried again from Benkulen as a base, to elbow the Dutch out of Sumatra and at last succeeded in founding the most successful "anti-Batavia", Singapore, in 1819.

Most of the Dutch officials who had served the V.O.C., the Batavian Republic, King Louis and Napoleon went over with great ease to the English government service. Of course several Englishmen were placed in high positions but the bulk remained Dutch. De Haan concedes that the officials of the English East India Company were generally of greater ability and possessed more energy and knowledge than their Dutch colleagues. He even calls the conduct of the Dutch officials under English rule servile and toady (45, IV, pp. 169, 816). It was good luck that Daendels had already cleaned the Augean stable to some extent, else the comparison would have been still more to the disadvantage of the Dutch.

English colonial policy: It is necessary to realize, before judging Raffles, how the different economic structure of England as compared

with the Netherlands demanded another colonial policy. General principles did not count much here: the interests of the mother country were decisive. England, the pioneer industrial country, had brought about a great change in the mercantile intercourse between itself and Asia by its technical inventions at the end of the 18th Century. The failing reciprocal trade-article, of which we have spoken (Ch. 5) had been created. This was not a new article but an old one, cotton textiles but produced large-scale with machines. As textiles were just the articles which were formerly exported from Asia to Europe, the importance of the change was great. It meant little less than the destruction of the old textile industry of Asia. This, of course, was to Asia's disadvantage but the abundant supply of English cottons on the other side made it unnecessary for the English to resort to systems of a one-sided forced supply of tropical raw materials. This supply could be brought forth by the simple working of economic laws, provided they were given free play. The economic laws were understood by the economists of those times to be universal and normative. They were in fact only the laws emanating from a caricatured "economic man" in a monetary economy with perfect individual freedom.

Furnivall (40) has very well described the results of this British colonial policy, which he calls "the rule of law" in Burma. It meant there that the personal ties of tradition were dissolved in a bath of circulating money, that the native crafts were destroyed and the new economic structure was built high in the air on the narrow basis of a few mass-articles for the world market, in this case especially, rice. It meant indeed an enormous expansion of riceland but one in which the Burmese participated only as a shifting population of ephemeral tenants and agricultural labourers. That was the development under a régime which was satisfied to impose and maintain an impersonal legal system in which every person was only a anonymous unit. In reality there were distinct groups English, Indians and Burmese: and economically Burma was exploited by the many English rice-dealers and Indian money lenders (Furnivall, 40, pp. 4/8).

These were the results for the colony. They leave many questions open which should be answered in dealing with a phenomenon of such importance e.g. what is to be understood by exploitation? Yet we think, Furnivall gives a good description of the actual Burmese development.

But Raffles was not concerned with the disadvantages to native society: maybe he was not even aware of them, for he was only concerned with serving the interests of England. So he strove to make

of the East Indies a market for English textiles. But this implied the introduction of a monetary economy (Geldwirtschaft) where up till then money had scarcely entered into circulation with all the vehement shocks and changes necessarily connected with it. But it also meant that the tributary supply of rice, coffee etc. had to be replaced by a free supply, due to a price ruling in the rice- or coffee market. It meant the abolition of the Priangan System.

Land-rent system and adat-law: Raffles's regime in Insulinde will always be remembered from his "land-rent system" which he ordered to be introduced in 1813. The landrent system was a system of taxation adapted to a monetary economy with predominant agriculture. Juridically, the system was based on the assumption that the land belonged to the sovereign and that the Javanese peasant was only a tenant of the sovereign and as such could be called upon to pay a landrent. The validity of this conception of Javanese land law has been ardently denied by v. Vollenhoven and his Leyden "adat"-school, the school that tried to find out the real Javanese land laws, unwritten though they were and existing only in orally preserved traditions, the socalled "adat". v. Vollenhoven and his school lead us to a stage far back in Javanese history when the peasants, living in the same "desahs" as now, were subject to no outward authority but constituted selfsufficient village-republics governed by a congregation of wise old men along the lines of the "adat". Hinduisation however, destroyed the desah independence. The rights on the land were usurped by the princes and used so arbitrarily during a long period that the "adat" was forgotten or distorted till it was no more to be recognized. This was especially the case in the vicinity of the kratons where the population became simply serfs (Burger, 24, p. 38). The desahs were put under the command of the king's stewards (bekels). To divide the burdens imposed on them the peasants of East and Middle Java devised systems of communal land possession with frequent redistributions. Only in the Priangan, farther away, was the adat which recognized individual rights to the land better preserved (24, p. 43). The attentive reader will already have noticed that this school makes no allowance for the different material substructure of ladang and sawah-culture and the quite different conceptions of rights on the land which must ensue.¹³⁾ But, leaving this problem for the time being, we may go

¹³⁾ The neglect of this basic truth is characteristic of most literature on adat-land-law. It can also be reproached to Nolst Tréité, Van Vollenhoven's opponent. We are therefore glad to find this truth explicitly stated by Mitteis (73a, p. 9). Though Mitteis refers to early Germanic land law there it is recognized by him as being of general validity.

on to assert that Raffles's information of adat-land law was not so superficial as is pretended by the followers of the adat-school (Teng Siu Tjhan, 98, p. 11). We have already seen that in the course of Javanese warfare peasants were herded off and resettled as suited the princes. But this happened not only in wartimes. Even in peace-time people were ordered to colonize a distant place just like the mitimac-cuna of Peru (Means, 70a, p. 347). The Susuhunan Tegalwangi declared to Rijklof van Goens, ambassador of the V.O.C. (ca 1660) that his people had no possessions and that everything belonged to him (45, I, p. 28). The Sultan of Bantam until the time of Daendels could appropriate every inheritance (45, III, p. 194). Now these might have been usurpations in the sixth century AD but if maintained and practiced for over one millennium they had become "adat" under the authority of the king, the incarnation of deity.

We may, therefore, quite justify Raffles's view that the sovereign, in this case the government, as successor of the native kings, was proprietor of the land and on that ground could levy a land-rent from those who cultivated it. After all, a state cannot subsist without revenue. With what right can the State demand the payment of any tax? In Europe maybe on account of the "social contract" between the subjects who for the common purpose of, say, the preservation of freedom, property, safety and other "natural rights" of the free associates, allow this. But where such a Western philosophical conception is out of place, as in an Oriental despoty or in a subject country as Java was, no other legal foundation could be found than the sovereign's ultimate ownership of the land. The taxes, levied on account of sovereign property, are apt to be rather high. Raffles's claims were exorbitant. He asked $1/2$, $1/3$ or $1/5$ part of sawah crops and $2/5$, $1/3$ and $1/4$ part of tegalan-crops. Which ratio applied was dependent on the fertility of the soil. The rent could be paid in kind by regions which were distant from the market, but was to be preferably levied in money (Theng, 98, p. 11). Instead of "landrent" we could perhaps better speak of "harvest-tax". But we will adhere to the already coined terminology. Unlike the Romans in Egypt, the government of Java had no knowledge of local conditions and no officials to apply her system. The population was not registered, neither did a cadastre exist. Nothing was known about the fertility of the soil on which the assessment depended. S. T. Teng asserts that there were barely a dozen European civil servants for the purpose and that no village-chief could even write (98, p. 12). The result was, therefore, that the residents simply fixed a total for their residency and divided it among the districts and villages. The indivi-

dual peasants were unknown so that Raffles had at first to order an assessment pro village (15-X-1813). In incredible blindness, he already on Febr. 16th 1815 ordered individual assessment. Needless to say, nothing altered in practice. After some bickering and bargaining each village was allocated an amount of money and enough rice had to be sold to the ubiquitous Chinese to be able to pay. The enforcement of money-economy promoted the interests of the Chinese and usury.

Communal Desahs: But even with the best equipment, it would often have been impossible to assess individual possessors because they did not exist. In the vicinity of the Hinduized courts, land-possession had become a burden instead of a pleasure. Land-possession had become a "liturgy". The peasants, therefore, desired no individual possessions but an equal division of the burden of tributes and services over all villagers. In this way, it is said, the villages with communal forms of land-possession were created, generally briefly called "communal" desahs. At present two sub-forms exist, a) communal land-possession with fixed shares (Burger, p. 161). The authority of the village here restricts the peasants in their dealings. They may not sell or even pledge their share. b) Communal land-possession with periodical redistribution of shares. The second form must have been more frequent in olden times than in modern times. When the possessors were less oppressed, many desahs shifted from the second to the first form. The position of the village chief in the latter constitution was more powerful so that they impeded the transition. We shall later see that villages which had already assumed constitution a) reverted to b) when the government sugar-cultivation made its entry (Burger, 24, pp. 171/2). It will be clear, however, that where frequent redistribution existed, individual assessment was impossible. Even in the 20th Century with much perfected knowledge of conditions, villages with periodic redistribution were assessed village-wise (Theng, 98, p. 45). But in Raffles's time, not only periodic redistributions between those entitled to a share took place but on the authority of regent and his village chiefs new people from outside were taken in and given a share only to be deprived of it at the next turn. This phenomenon increased under the "Culture System" when land-possession was shirked and frequent shifts and flights of population took place. We shall have more to say about it later on (Ch. 14).

The Priangan: We have now seen how void of any practical importance Raffles's land-rent system was if applied to a purely rice-growing peasant population. Let us see now how Raffles behaved

towards the Priangan where a most important "culture" for the world market existed and where therefore money-economy and laissez faire could have been much quicker introduced. Even though the Napoleonic self-blockade of Europe deprived the Priangan of its most important outlet, coffee was still the most secure source of revenue for the government. Probably Raffles lacked faith in his own system. In this case Ottow's verdict of him that he was a "word-pedlar" (woord-kramer) like Dirk van Hogendorp (78, p. 55) or "a would-be reformer and publicity man" (78, p. 72) becomes understandable. The same can be inferred from his abolition, on paper at least, of the "herendiensten" the tributary services for the sovereign, which of course did not fit in the conception of a money-economy (Tjoeng, 97, p. 15).

But on the other hand, it might be assumed that the needy position of the treasury forbade any experiment with one of the most important sources of revenue. That the condition of the treasury was bad is certain for though Raffles's demonetized Daendels paper-money he only substituted his own paper for it (v. d. Berg, 16, p. 76). Yet there are other reasons why the Priangan-system was completely preserved at least till 1813. According to Ottow (78, p. 61) Raffles's idea was to preserve the system if Java could be kept by the English but to abolish it as soon as it appeared that the Dutch would be restored. About the unprofitability of his own system he seems to have been quite sure, probably also under the influence of Nicolaus Engelhard from whose extensive material he drew many details about Java.

Raffles's corruption: When the restoration of the Dutch became pretty certain in 1813, Raffles began the sale of estates eastwards to Indramaju and also the sale of coffee estates in the Priangan. There is undoubtedly evidence that Raffles herewith pursued a policy which was at the same time intended to damage the future Dutch government and to fill the purse of himself, some other English officials and some Dutch. The corruption of Raffles was soon detected by the English military commander General Gillespie who denounced him with Lord Minto, the governor-general of India. Raffles did not quite succeed in justifying himself and hastily withdrew as a partner-purchaser of the enormous coffee estate of Sukabumi. Ottow finds reason in this also to call Raffles "the type of a colonial exploiter" (78, p. 55). The Sukabumi estate was bought by Raffles, the Resident Macquoid, Nicolaus Engelhard and Andries de Wilde for a price which was less than the yearly return of coffee once the continental market had been opened (Stapel, 96, p. 219). This allegation of Stapel is quite right. These gentlemen had purchased estates for 63.600 Spanish dol-

lars. These were, however, paid in paper rixdollars at a ratio of 6,5 per Spanish dollar while the market ratio was twice as high. The real price paid was therefore only 31.800 Spanish dollars. The price of coffee rose to 15 Spanish dollars per picol after 1813 and the net profit a year was 40.000 Spanish dollars. These figures have been drawn from a meticulous report by Minister Elout to King William I, published by Ottow (78, p. 175). Another example is the sale of the estate of Pamanukan to T. Shrapell for 30.000 Sp. dollars in 1813. De Haan assures us that in the year 1814 alone teakwood from this estate was exported to Bengal amounting to 100.000 Sp. dollars (45, IV, p. 39).

The best description of Raffles's conduct is given by De Haan in his "Personalia" about Andries de Wilde (45, I, Personalia p. 284 ff), the man who dominated in the Sukabumi-affair after the Dutch restoration and who was compelled by G.G. Baron v. d. Capellen to resell his estates to the government. We may, therefore, just as well follow De Haan's authoritative notes on Andries de Wilde and we shall meet Raffles in due time. De Wilde was born in Amsterdam in 1781 and as a clever young man without special education or means, came out to the Indies as a surgeon (cf the plucked student Pieter Engelhard). In 1805 he made service trips to the Priangan for vaccination purposes, took the opportunity to change his job and became a coffee-overseer in Buitenzorg in 1808. He then gave Daendels the tip for his Buitenzorg-transaction and was made private surgeon of the marshall, in this way again resuming his medical career. His salary as such was 900 guilders per month. He actually was the marshall's interpreter when speaking with native chiefs. In this capacity he contrived to soften the furious exclamations of the marshall, who owing to that, acquired the name of "Tuhan Besar Guntur" after the fearful eruption of the volcano Guntur in 1809. In 1809 he was transferred to Bandung, probably to begin intrigues aiming at acquiring a second estate for the marshall. He became the assistant of the English Resident in Bandung, Macquoid, from 1812 to 1814, during which time he bought the estate of Udjung Brung, N.E. of Bandung (22-I-1813). The price was 40.000 paper rixdollars because the estate was practically uncultivated. On Jan. 25th, 1813 he participated for 1/6 part in the purchase of Sukabumi together with Raffles (1/2), Macquoid (1/6) and N. Engelhard (1/6). This huge estate with 20.000 inhabitants was bought for 58.000 Sp. dollars, paid also with paper in too low a ratio. After Gillespie's complaint, De Wilde and Engelhard took over Raffles' share at the old price. The division of property now became De Wilde (5/12), N. Engelhard (5/12) and Macquoid (2/12)

i.e. 5 : 5 : 2. How could a private coffee-plantation owner make the greatest profit? By posing as a representative of the government towards the population and claim tributary services on the one hand and by acquiring complete freedom from the government monopoly on the other. On both points, Raffles was forced to declare himself towards Lord Minto. The compulsory delivery by private coffee growers to the government, being a part of the Priangan System, had to be continued together with the Priangan System. In V.O.C. times this had applied to the landowners in the Ommelanden, which later appeared not suitable for coffee-cultivation. Now that private estates were sold in the centres of coffee-production this compulsory delivery became of utmost importance. Tributary-services (= herendiensten) had been proclaimed abolished by Raffles himself. Gillespie had attacked him on the use of compulsory services and on the circumvention of the government-monopoly. In his justification Raffles wrote that the government-monopoly was being maintained and that no "herendiensten" could be legally demanded from the inhabitants. This statement was necessary because Raffles had intentionally made the conditions of sale on this point highly ambiguous and confusing. What was in fact going on on the estates was exactly what Gillespie had complained about. The European owners or rather their administrator De Wilde, later De Wilde's stepbrother C. Steitz, reigned as formerly the regent had done, through the medium of the old village and districts chiefs, and the work remained the same. The character of a private landownership was concealed by the extent of the estate and the unchanged activity of the native chiefs. In spite of Raffles's assertions, "herendiensten" continued to be required for the making of sawahs and coffeegardens and for the work in the existing coffee-gardens. It seems that the natives were quite content under De Wilde's rule because they were no more exposed to the more personal despotism of the regents. Of course the owners were very loath to see the Dutch really take over the government and with reason, as we shall later see, for on January 14th 1823 Sukabumi was returned to the government (De Haan, 45, I, *Personalia* p. 283 ff). For us it is sufficient to have followed the proceedings during Raffles's rule. De Haan puts the significance of this corruption affair in a new light. It seems, he says (45, I, *Pers.* p. 290), that Raffles was inclined to remain on Java as a landowner. Gillespie had made this impossible. Without Gillespie's denunciation, Singapore would not have been founded, at least not by Raffles.

Raffles v. feudalism: We have seen that Raffles's colonial policy

aimed to introduce money-economy and laissez faire and was directed against feudalism. His attitude towards the regents and sultans was a big disappointment to these gentlemen. Raffles tried to make a direct contact between the European administration and the lower chiefs, excluding in this way the regents. These were "humiliated into the dust" says Burger (24, p. 65). Their retinue was still more restricted. The sultan of Djocja, who had become a bit pert after Daendels' disappearance and the surrender of the Dutch government, was swiftly brought to a better understanding of reality. Sunan and Sultan had to cede tributes, duties, teakwoods, market rights, revenue from opium, etc. to the government and received a yearly salary of 120.000 c.q. 100.000 Sp. dollars.

The regents soon saw that they could not lose from a restoration of Dutch rule. When Raffles before his departure ordered the annihilation of all coffee-gardens, the regents prevented the execution of the order. Macquoid who was still interested in Sukabumi did the same (De Haan, 45, II, p. 630). A final fearful blow to the Dutch interest had thus been warded off.

Native use of imported articles: Where Raffles had failed to create a consequent money economy and laissez faire, he had even less succeeded in opening an important market for English manufactures. Some money had always reached the peasants even in the time of the V.O.C. and certainly among Daendels. In 1812 Van Lawick van Pabst reporting on the coffee-culture of the Priangan said that thanks to the money which had been brought among the natives the wooden plow, bambu knives and bambu canes for cooking rice had partly been replaced by iron plows, axes, Chinese earthenware and copper rice-pots (dandangs) (De Haan, 45, III, p. 627). Textiles were, however, very scarce among the people. In the Priangan where the people would be expected to be best clothed, men and women went naked above the belt even in 1829 (De Haan, 45, IV, p. 511). No important market of textiles had been created.

On August 13th, 1814, it had been decided that the Netherlands would be restored in all their former possessions in East Asia, except the Cape and Ceylon. Three Commissaries-general were sent to take over the government. But by every means, the English tried to obstruct and postpone so that it was August, 1816, before the English flag was struck and the Dutch flag hoisted again.

CHAPTER XII

RESTORATION AND INDECISION (1816 : 1829)

The Commissaries-general: It had become August 1816 before the Commission-general consisting of Elout, Baron v. d. Capellen and Rear Admiral Buyskes could take over from the English. Elout, a jurist, had already been sent out to Java once in 1806 by the Batavian Republic but had been recalled while on passage in the U.S., when Louis Napoleon was elevated to the new throne. Elout was the chief commissary, Baron v. d. Capellen was to remain as G.G. after dissolution of the Committee and Buyskes occupied himself only with military affairs.

Once more the Dutch had the problem of what colonial policy to choose. They had the experiences of the V.O.C., Daendels and Raffles at their disposal and, being liberalists, they preferred to continue Raffles's colonial policy of laissez-faire and the landrent system as far as taxation was concerned.

Land-rent-policy: Laissez-faire was easy enough but the perpetration of the landrent system met with difficulties. Even Elout could not solve an equation with at least four unknowns. In 1818 the G.G. decreed that the assessment would have to be village-wise again, in this way eliminating the unknown "peasant". Yet the equation as they felt was unsolvable. Therefore the fixed percentages of the levy on account of fertility of the soil were officially eliminated and replaced by a system of bargaining, which had in practice always been followed. Often the return of 1 or 2 ha. was controlled as a base for calculation of the assessment of some 10.000 ha. of sawahs. The outcome of this calculation, $1/5$ of the crop times estimated marketprice, was, of course, not definite but formed the subject of bargaining between European civil servants and native officials. At last the resident came for the final bargaining. Many residents taxed the vicinity of their town low, desiring to be surrounded by a content population. This situation lasted until 1872 during which period surveys were considered too expensive (Teng, 98, p. 13/14).

This system, of course, did not work justly and satisfactorily. The residents generally asserted that they could "feel" the right assessment

from experience, but in reality the assessment stood in inverse relation to the courage and ability of the resident to withstand Batavia. This was as far as the total sum was concerned. For the individual villages they could at times be so high that the people fled (Burger, 24, p. 72).

The payment in money was a burden to the natives. There generally was no "marketprice" for there were only individual Chinese, Arabs, Europeans and chiefs who offered to pay the land-rent against disposal of a part of crop and labour, a kind of desah-lease but now not from the regent (Burger, 24, pp. 74/77). This description will make us understand v. d. Bosch' expression that the Javanese were not willing to work for money, but would do anything against cancellation of a previously imposed tax, here the landrent.

The "cultures": It is understandable that the landrent system worked unsatisfactorily as a purveyor of revenue. Elout from the start had been very careful not to meddle with the Priangan-system. He did not possess enough confidence in liberal economics to jeopardize this source of the Treasury. The extension given by Daendels to coffee-cultivation over Middle and East Java had already been cancelled by Raffles. The gardens were government property and so the government leased the same coffee-garden to the same village-chief. The produce was then sold to a Chinese who paid the landrent but for the rest paid in merchandise. The richest gardens of Malang were in the hands of 2 or 3 merchants from Pasuruan. The whole was supposedly a free culture, but in fact the villages were compelled by the government to continue cultivation (Burger, 24, p. 78) (v. Soest, 92, I, p. 130).

Another form of "free" cultivation was based on contracts between entrepreneurs and village-chiefs to cultivate sugar or indigo or to provide certain services. This was the old desah-lease in disguise. In 1819 such contracts with village-chiefs were forbidden. They had to be concluded with the individuals concerned. On this basis, no cultivation could be organized as the individual peasant would refuse to work for a Chinese or European entrepreneur, as long as he had rice to eat in his barn. So the old practice went on irrespective of legal prescriptions and often with the help of the understanding civil service (B.B. = Binnenlandsch Bestuur) (Burger, 24, pp. 80/82).

A third source of free products was the private estates. We have already seen that they were economically of small significance. They became more important after Raffles's sales of coffee-lands in the Priangan. As far as coffee was concerned the right of free sale by the owners was doubtful and became the object of great trouble.

More important was the fourth source of free produce, namely the

„land-lease” estates (huurlanden) of the Principalities. N.I. land law speaks of "landhuur" = land-lease because estates, not only a village (desah-lease), were leased and generally for a longer period (15 : 20 years). We have already seen that under the V.O.C. European usurers worked among the courtiers of the sultanates of Jogjakarta and Surakarta (p. 69) and that Chinese were desah lessees in the Principalities. This was in spite of the stipulations about exclusion of the Chinese from the Principalities in the treaty of 1745. The Europeans, maybe, generally took jewels as pledge but certainly they too had to content themselves sometimes with the lease of estates in cancellation of a debt owed to them by a Javanese noble. They then took over all seigneurial rights and could claim disposal of part of the soil and labour for their own purpose. In late V.O.C. times the purpose was generally to produce coffee but the government was eager to remain the monopolist in this article. In 1733 the Susuhunan put himself under obligation not to tolerate coffee-cultivation in his lands (Stapel, 96, p. 142). In spite of the Company's resistance however it spread so quickly that Middle and East Java could provide themselves in 1780. The first export of coffee from the "Vorstenlanden" is reported in 1787. In 1790 the V.O.C. allowed a production of 20.000 picol (Priangan ca 100.000 picol). In 1793 the "culture" was terminated for some reason (De Haan, 45, I, pp. 135/6). The locations of production then were the mountain slopes of Madiun, Kediri and Kedu, then belonging to the Principalities. Many coffee-gardens were located on no more than 200 m altitude. With the disappearance of the V.O.C. and the reopening of the European market in 1813, the chances for coffee were very good and as desah-lease in government's territory had been restricted in 1808 and forbidden in 1818 entrepreneurs flowed to the Principalities.

Commerce: The habit in times of isolation to sell the government's products (coffee, spices, tin) through a "Vendu Department" in Batavia was continued even now that peace had made shipments of the government to Amsterdam possible again. Next to the Vendu Bureau there were a number of commercial houses who dealt in free products as rice, sugar, coffee for export and textiles, ironwares etc. for import, generally British. They had opened in Raffles's time, for the English conquest had reopened many markets for Java. There were also German commercial houses but the Dutch lagged sorrily behind. In shipping the same situation prevailed. No crew, no decent captain was to be found in Holland (Mansvelt, 69, I, p. 41). The strong position of the English in the manufacture of textiles allowed

them to make 100 to 150 % profits on, what were to the competitors, losing prices. The English therefore could afford to pay the highest prices on the coffee-auctions of the Vendu Bureau (Mansvelt, 69, p. 54) and so became the principal exporters of Java coffee which therefore swelled the business of the London market. For Amsterdam, which had hoped to regain its position of the 18th Century automatically, this was a sorry development. The underlying forces were however not recognized by the merchants but the fault attributed to King William's protective tariff policy, and ultimately to the influence of the reunited industrial Southern Netherlands.

In fact for the colony the availability of cheaper textiles and the possibility of getting higher prices for coffee from the English export houses was not unfavorable. Under cover moreover of her paper valuta and because of the previous rigorous drain of silver an equilibrium of the balance of payments need not be accompanied by considerable further drains.

Budgetary deficits under v. d. Capellen: What however deteriorated the position was the deficient flow of public revenue which could not cover the expenses of a too cumbrous government-apparatus. The landrent system could not work well as a source of revenue: that we have seen. Moreover extra-charges on the Treasury became necessary during the government of v. d. Capellen (1819 : 1825) on account of military expeditions to the Outer Possessions. The costs of the expensive government apparatus could therefore not be paid from the inland revenue and the Netherlands, which did not reap the profits of colonial free trade, had to supply the deficits by issuing loans under its guarantee. During v. d. Capellen's government the Netherlands-Indian government debt increased with 24 ml. guilders not even considering the additional issue of paper-money (Stapel, 96, p. 245). Now King William I, under whose personal rule the colonies had been put, knew very little about these lands, as history evinces time and again. But he understood that something was wrong with v. d. Capellen's government and therefore "allowed" him (14-7-1823) to return already before 1824. In 1824 v. d. Capellen agreed with the English house of Palmer & Co. in Calcutta about a loan of 20 ml. guilders under lien of all public revenue. William I withheld his approval (26-6-1825) and definitely called back v. d. Capellen, appointing Du Bus C. G. on Aug. 10th 1825. A war prevented v. d. Capellen's direct return.

On top of that there had been a difference of opinion between v. d. Capellen and advisers of the King about his policy towards the entre-

preneurs in the Priangan and in the "Vorstenlanden". It is to the credit of S. J. Ottow, a pupil of Professor C. Gerretson, that he has placed v. d. Capellen, who has been universally condemned by older writers, in a more favorable light in his Utrecht doctoral dissertation (78).

v. d. Capellen turns conservative: It seems that v. d. Capellen, who had shown no specific ideas of his own on colonial policy during the presence of the liberal Elout, had developed rather divergent conservative views as a G.G. He saw that the entrepreneurs did little to develop the country, at least in the Priangan. What they achieved in fact had been performed by the government before them and could only be continued by assuming the sovereign rights of the government over her subjects. Not even agricultural knowledge did they supply. The simple Javanese and also the regents knew much more about coffee than these "merchant-adventurers". Also De Wilde could take lessons from them, said v. d. Capellen in his report (78, p. 237). Therefore there was no reason for the government to submit to being deprived of valuable coffee lands and their revenue for such a paltry sum as had taken place in 1813. Moreover, the revenue would be spent again for the people. Maybe the idea was repugnant to v. d. Capellen, the aristocrate, to see entrepreneurs usurp and degrade sovereign rights. Anyhow even if he clung to liberalist views, he saw no advantage in the ambiguous phenomenon of the "semi-domaniaal plantation" (defined on p. 70).

The Sukabumi affair again: This meant that he was opposed to De Wilde, Nicolaus Engelhard and Macquoid as owners of Sukabumi and of De Wilde, moreover, as owner of Udjung Brung. Macquoid had considered it wise to withdraw, temporarily at least from Sukabumi before the Dutch took over the government (August 1816). On May 18th 1816 he was bought out for 20.000 Sp. dollars, being one sixth of the value of 1816, calculated on the basis of 12 % profit on the initial outlay. That this calculation was faked we may infer from the fact that Macquoid retained the right to buy his share back which he really did in 1819 when he thought that the coast was clear. He was then partner in the ex-import house Macquoid, Davidson & Co., which went bankrupt in 1826 (De Haan, 45, I, Pers. p. 297). Again on this point we see how valuable De Haan's research material from the Batavian archives is and it is a pity that Ottow does not seem to have availed himself of it. He therefore also fails to present to the reader the common vulgar touch on the side of v. d. Capellen's party

which gives to his book too much the character of polemic "schwarzweisz Schilderung". The fact ferreted out by De Haan is that v. Lawick van Pabst, former coffee-super-intendant and in 1818 Chief of the General Inspection of Finance had been intended to take part in the purchase of Sukabumi in 1813 but had ultimately been kept out of the affair. This made him a bitter enemy of De Wilde. He was abetted in this attitude by his deputy H. J. v. d. Graaf who, maybe on more pure grounds, was opposed to private estates. A friend of v. Lawick v. Pabst was the influential and very able H. W. Muntinghe, formerly adviser to Raffles and later to v. d. Capellen. His reputation was not one of probity and he had heavy debts. We shall later see that De Wilde proposed to buy his benevolence for 30.000 guilders (45, I, Pers. p. 303). This proposal of De Wilde to N. Engelhard makes us suspicious and ready to believe that whatever Muntinghe's principles might be, his purse had priority. Muntinghe, as adviser to Raffles, must have promoted the sale of estates, and in fact he had himself bought two estates with teak forests in the Northern plains: namely, Kandang Auwar and Indramaju for 74.000 Sp. dollars which he paid in paper at a very low ratio, namely half the market ratio. V. d. Capellen reported that the owner drew 5000 to 6000 teak logs and much rice a year from these lands. They had been sold by Muntinghe to Romswinckel shortly after acquisition. This can be read in Ottow himself (pp. 190, 229). This same Muntinghe advised v. d. Capellen strongly against the private estates on principles which are sound in themselves but on which we have to look with suspicion when we consider his person. In this light we must see the note written with pencil by Colonial Minister Elout in the margin of v. d. Capellen's Colonisation Report of 17: Juli 1822 which reached Holland on July 5th 1823. The report asserted that there was no need to increase the government price for coffee for De Wilde as he made profits up to 30 % of the capital invested and Elout remarked: "En dat zegt Muntinghe?" ("And Muntinghe says that?") (p. 215). Even with De Haan's information we can not fully explain the marginal note. But Ottow does nothing else but publish it along with the report and may therefore be charged with serious negligence in this respect.

Anyway, v. d. Capellen attacked the entrepreneurs in their weak places, namely, the free disposal of the produce and the use of servile labour. Unhappily Raffles had been compelled by Gillespie's complaint, to state clearly what had been confusedly laid down, or not laid down, in the conditions of sale. Legally there was now no doubt that the entrepreneurs were subject to the government's monopoly and had to refrain from using forced labour. In this way, the owners were brought

into a state in which they could not work with profit and would be willing to resell the estates to the government. Udjung Brung was taken back in 1820 for 55.000 Sp. dollars (pesos de a ocho) (45, I, Pers. p. 302). This left a good profit (see p. 93). But for Sukabumi De Wilde put up a longer fight. He went to Holland and sent a report to Prime minister A. R. Falck in which he asked a higher price for his coffee on account of his merit in the development of the estate. The report was favorably received and communicated to the King. Colonial Secretary Elout who then advised the King on the question (a report of twenty pages close print in Ottow's book!) was somewhat more critical but on the whole advised favorably, because he saw in De Wilde the kind of entrepreneur whom he needed so badly in his liberal view. A Royal Decree (K.B.) was then issued to grant the price rise to De Wilde in view of his great merit as an entrepreneur. What De Wilde had not dreamed happened, v. d. Capellen refused to execute this K. B. on the justification that the King had been induced to issue it on the strength of misleading information. Van der Capellen now had a very extensive report prepared (more than 70 pages close print in Ottow!), a complete Colonisation Report which also refuted De Wilde's arguments (17-VII-1822). Now this was not difficult, for De Wilde, relying on the King's ignorance and wanting to prop up his case, had boasted to have introduced European crops, stockbreeding and tobacco growing with great success. The effect on the ministers and ultimately on the King had been very favorable but the truth was that practically nothing had been achieved in these fields. This had been proved by a statistic survey of Sukabumi ordered by the government in 1821 (De Haan, 45, I, Pers. p. 298). His allegations had even greatly surprised his associate N. Engelhard and his stepbrother and manager C. Steitz. V. d. Capellen's conclusion was that the European estate-owner did not perform a specific task. He could be compared with a parasitic plant which twists itself round the body of the native population, isolates its from immediate contact with the government, and feeds itself at the cost of both (78, p. 238). There was place for European entrepreneurs in the fabrication of sugar and indigo from the raw product (78, p. 244). Where preparation was easy, however, as with coffee and pepper which were only dried in the sun, the entrepreneur was the fifth wheel on the wagon (78, p. 247). Moreover, by selling the estates the rights on the land of the natives had been encroached upon (78, p. 267). This last argument was of a new character. It was derived in fact from H. W. Muntinghe, who, advising on the applications of Europeans to the C.C.G.G. for private estates, had recommended (July 11th 1817), to

grant them only partially: namely, in such a way that desahs, kampongs and also common meadows would be excluded (78, p. 74). Up till then the controversy had been only between tributation and exploitation, now the embryo for a third, ethic, party had been created: namely, for them who recognized definite rights of the natives on their land, rights which had to be respected. When later after 1870 the final verdict was against tributation, the controversy between exploitation-policy and ethic-policy dominated the field, the latter especially reinforced by the theories of Professor v. Vollenhoven of Leyden. Of course, the ethici did not restrict themselves to the protection of the native's land rights but aimed at lifting him up socially and culturally, as they saw it at least.

We have dwelt thus long on the character of the controversy between the government and the entrepreneurs under Van der Capellen because this will enable us to be briefer in the future. But what was the outcome of the conflict concerning De Wilde? On July 11th. 1817, the same date as Muntinghe's advice, the C.C.G.G. forbade every form of servile labour on the estates sold by Raffles. The owner could claim only 1/5 part of the rice crop (1/10 under the V.O.C., unlimited since Daendels).

In January, 1819, the government also forbade cultivation contracts with the desah's (i.e. with the village-chiefs) which were used to evade the prescription of 11-VII-1817. Only contracts with individual peasants were admitted. Close supervision was exerted by the resident of the Priangan, v. d. Capellen's brother. Under these circumstances, De Wilde began to sell back Udjung Brung for 55.000 Sp. dollars in 1820. For Sukabumi he went to Holland without success as we have seen. He then proposed a last resort, namely, to offer Muntinghe a bribe of 30.000 guilders in case he could arrange a price of 600.000 Sp. dollars for Sukabumi (45, I, Pers. p. 303). Even if this price were unduly high, we see that the estimated value at the time of Macquoid's temporary withdrawal was much higher than 120.000 Sp. dollars and was therefore faked. It seems, however that the bribe-effort did not succeed or was discouraged by N. Engelhard. Anyway in 1823 Sukabumi had at last to be resold to the government for 800.000 guilders or ca 80.000 Sp. dollars (45, I, Pers. p. 302). De Wilde now returned to Europe. The penniless surgeon of yore had become a rich man. He settled in Baarn in the pleasant hilly, diluvial part of Utrecht. He later occupied a rank in Dutch Freemasonry inferior only to Prince Frederic of Orange (45, I, Pers. p. 308).

The "leaseland"-conflict: In 1823, the inroad of Raffles on the

Priangan System had again been eliminated. But v. d. Capellen's eye had also been attracted by that other form of the semi-dominal plantation, the socalled "leaselands" (huurlanden) in the Principalities. The first case of European "landlease" known to Soepomo (91) was in 1816 after the restoration of Dutch rule. Landlease on a smaller scale by Chinese were anterior. The Chinese who, as village lessees in Cheribon, had been a scourge to the population, were very hateful in v. d. Capellen's eyes. The Priangan, where the Chinese had been introduced by Daendels, was closed again for them by Van der Capellen. In the Principalities, the influence of the Chinese had increased during Raffles's regime as he had taken over all tolls and duties and relieved the Chinese tax-farmers from immediate supervision by the Sultan and Susuhunan. But, as we have seen also, European leases must have been present earlier than 1816. According to Colenbrander (28, II, p. 214) landlease to Europeans began in 1790. The Chinese, however, dominated. From 1818, the flow of Europeans to the Principalities increased (see p. 98) and free "cultures" flourished there. On May 6, 1823, van der Capellen decreed the retrospective abolition of all contracts of longer duration than three years and with advance money exceeding six month's rent (Stapel, 96, p. 237). The blow did not come unexpectedly for already in September, 1822, the Resident of Jocjakarta, van Nahuys, then on leave in Holland, had complained about the G.G.'s attitude towards the landleases (Ottow, 78, p. 127). The attitude of Nahuys can be explained from his none too savoury dealings as we shall see later. The retroactive abolition of landleases meant that the Javanese grandees were robbed of a source of money income and of money-advances. The advances were now called in as a whole by the ousted entrepreneurs while previously they had primarily been a constant means of pressure and a means of usury. Of course, the Javanese nobles could not pay and so the government had to mediate. It prescribed a partial repayment in money, the rest to be paid in the form of the coming coffee-crops. Van Nahuys played a dirty role before as well as after the decree. He had used his influence on the infant-sultan to acquire a "leaseland" for a rent of 25 Sp. dollars a year only, which was, in fact, gratuitous. After the decree he pretended to have a claim of 40.000 Sp. dollars, which was, however, denied by Dipo Negoro, guardian of the young Sultan. This was a miscalculation on the part of v. Nahuys who had thought that his influence as a government-representative would overcome all resistance. His extortionate behaviour is listed by Stapel (96, p. 247) as one cause of the Java War which broke out in 1825. Of course, the government in arranging the

repayments (as we have seen, not always honestly!) had created wide discontent, not only with Dipo Negoro. But this person's wrath was of fatal importance. Perhaps owing to the Nahuys-Claim-question, Dipo Negoro was held up to ridicule at a public festivity by a number of Dutch B.B. (= Civil Service) officials. Dipo Negoro then left the court and withdrew in religious contemplation. Probably, this retirement was not entirely of a religious nature but was the beginning of rebellion. Dipo Negoro had already acquired a reputation of religious orthodoxy, which maybe served to compensate him more or less for his birth from a concubine, the chief obstacle to his fervent desires to the throne to which he felt himself entitled as the old sultan's eldest son. All elements of a rebellion were present, a leader with intense frustrated desires to the throne, inclined to fanaticism; a leader who had been seriously insulted; a following of nobles who were by the intermediary of the government compelled to repay loans. The fuse was ignited when the arrest of Dipo Negoro in the place of his suspicious "retraite" was attempted.

The Java War: (1825 : 1830): In 1825, a war broke out which was to last five years and cost more than 25 million guilders. Highly displeased, the king ordered the return of v. d. Capellen which took place on Jan. 1st. 1826. The war began with a massacre of the Chinese toll-gatherers, the counterpart of the Roman tax-farmers in the province of Asia who met the same fate 74 AD in the Mithradate war. V. d. Capellen, as a G.G., had really had a good heart for the natives. In all cases described by us, this motive may not have been unmixed with others, but e.g. his prohibition of pressing recruits for the Batavian sugar culture can only be explained by that (Mansvelt, 69, I, p. 180).

C. G. Viscount du Bus, his colonization report: The Belgian Viscount Du Bus de Ghisignies was now sent out as Commissary-General (1826-1830) with special orders to decrease the cumbrous and expensive government-apparatus. He repealed practically all measures taken by v. d. Capellen. Pressed recruits were again allowed to be driven to the "free" Batavian sugar culture (Mansvelt, 69, I, p. 181). The decree of 6-V-1823 on landlease was revoked on May 17, 1827 and the entrepreneurs reinstated where safety had been restored. Drastic measures were taken to diminish the costs of Government. The most important decision to be taken was, however, on the form in which entrepreneurs could get the disposal over land and labour. For Du Bus was convinced, contrary to Van der Capellen, that only entre-

preneurs could bring new welfare to Java. Now, as a Belgian who had never been in Java, he could not be expected to find a solution. Ottow in his important but somewhat polemical dissertation (78, p. 129) designated Du Bus' secretary Willem van Hogendorp, son of Gysbert Karel and nephew of Dirk van Hogendorp as his "agrarian governess". Willem van Hogendorp was the auctor intellectualis of Du Bus' Colonization Report of May 1st 1827. The quintessence of this report was not explicitly mentioned but has been analyzed by Ottow (78). With the departure of Van der Capellen his advisers had not disappeared. Two of them were arrested by Du Bus and sent to Holland, but that was in connection with intentional thwarting of the King's new creation, the Nederlandsche Handel Maatschappij (N.H.M.), about which we shall treat separately. The others had remained, among them Muntinghe. Muntinghe's advice of July 11, 1817, to give out only land to entrepreneurs on which no native rights existed, had found adherence. In this way, only uninhabited land could be given out and the entrepreneur was left to solve the question of the labour supply alone. But the Indonesian would not work for wages so long as he had rice in his barn. So Willem van Hogendorp tried to comply with the opposition by issuing only waste lands but on the other side he wanted to provide a means of pressure on the neighbouring population to work for the entrepreneur. Without such provision no entrepreneur would even apply for the land. Thus the report claimed that the land-concessions should be situated near populous districts.

Willem van Hogendorp, like the previous schemers, carefully left the Priangan alone. Ottow now asks "How near to the population must the land-concession be brought?". Clearly so near that no room would be available for the expanding population of the desah, so that they would be more or less thrown on the hospitality of their landpossessing family-relations. It would then be easy for the entrepreneur to speak to the village-chiefs and this man with the common support of the land possessors would sent the landless to work on the plantation. Of course, the plan was not laid down outright and so Ottow cannot be said strictly to have "proved" its existence but there is no doubt that this was the design for else van Hogendorp's Report would have lacked any significance. Ottow calls this system an "enclosure-system". Literally correct, but as economic historians have already used the term "enclosure" for quite different developments in English agrarian history, we would not encourage its use. Now C. G. Du Bus was not entitled to effect changes of land law, in spite of it being the essential point for any scheme (G. H. v. Soest, 92, I,

p. 123). Yet he provisionally gave out waste lands in lease for 25 years. They were mostly situated in Middle- and Eastern Java. Du Bus' system of encouragement of private plantations, according to G. H. v. Soest (92, II, p. 154), would have been able to provide as many profits to the mother country as the "Culture-System" (Cultuur-Stelsel).

This remark by Van Soest already informs us that it was not executed. What happened? Du Bus' colonization report had been favorably received by Colonial minister Elout, who had correspondingly drafted a Royal Decree (K.B.) laying down the rules for the colonial government in providing for the lease of such lands outside the Priangan: this was however not signed by the King (1828). Meanwhile the advice about the colonization report was asked of General Johannes van den Bosch who had just returned as C.G. from Surinam and who had collected important knowledge about tropical agriculture with slaves. As he had been sent to Surinam to economize on public expenses, he seemed to be the right man to succeed Du Bus. His advice on Du Bus' report contained "endless cost calculations", as van Soest says (92), to show that private entrepreneurs in the D.E. Indies would never be able to compete with the entrepreneurs of slave plantations. Nevertheless, he was careful enough to declare himself satisfied with Du Bus' Report and hinted that he was willing to execute it. The hint was followed and he was appointed G. G. with the approval of Elout (1828). As soon as he had been appointed, however, he strengthened his direct contact with the King whom he impressed very much with his figures and calculations. Meanwhile he began to deviate increasingly from Du Bus' report and even laid a new plan of his own before the King. The King was satisfied with it and shared v. d. Bosch' high expectations. Elout, however, disagreed on principles which we shall soon understand. He abdicated before v. d. Bosch embarked (1829). This explanation of proceedings is to be found in G. H. v. Soest (92, II, p. 40), an ardent opponent of v. d. Bosch. Van den Bosch arrived in Batavia in January, 1830, eager to perpetrate his "Culture-System" which marks the beginning of a new epoch in the history of the Netherlands-Indies. We shall therefore treat of it in a separate chapter, but we must first speak about what had been going on in the commercial sphere. The Netherlands' Trading Company had been founded in 1824 with the aim of terminating the preponderance of English commerce in the colonies. An understanding of this company and of the reason why it failed in its design will show us why the culture system was welcomed by King William I.

CHAPTER XIII

THE "NEDERLANDSCHE HANDEL MAATSCHAPPIJ" (N.H.M.)

Amsterdam as an emporium: The decline of the V.O.C., as we have said, was only a true reflection of the decline of the motherland in the 18th Century, which can be attributed to internal as well as to external causes. As Amsterdam was the focal point of Dutch economy, the decline was most clearly visible there.

The causes of ascendancy and decline have been very well analyzed by T. P. v. d. Kooy in his Rotterdam dissertation under care of Z. W. Sneller (61). Amsterdam had independently developed a mediating position between the Baltic basin and S. and S.W. Europe and after the fall of Antwerp had inherited that emporium's trade. An emporium, a central staple in this period was necessary, because none of the countries individually had intercourse with the Baltic or with the rest of the world which was regular and continuous enough to be directly organized. The national markets retained a regional character so that a central staple which cancelled out deficiencies and surplusses and temporary oscillations in supply and demand was necessary. This centre had to be strong in shipping and rich enough in capital to finance the keeping of stocks. These were the external conditions which made a central staple necessary. Amsterdam captured the prize because of its strong position in the Baltic and the fall of Antwerp. These conditions changed as everything does. The position of Amsterdam was jeopardized when the governments of England and France aimed at destroying the natural compensating function of Amsterdam by artificial measures (Navigation Act 1651). They would never have contrived to do this, however, if the productive powers of their nations had not developed greatly and if the bulk of national trade had not so increased that the regularity of direct trade between the individual countries increased more and more especially during the 18th Century. A curious role was played in this process by the money-market of Amsterdam. The merchants of Amsterdam of the younger generations more and more withdrew from active trade and made an easier income out of financial operations with their father's inheritance. Amsterdam accepting houses and bankers were always willing to accept and discount bills of trade related to the foremen-

tioned direct, Amsterdam-evading, trade. So in fact Amsterdam financed the new type of trade which ruined her own position by and by. On the other side, the financial strength of Amsterdam merchants made prompt payment and even advance payment possible so that foreign exporters still took occasion to sell their produce to Amsterdam. The financial strength, the position as a place where intervalutatic exchange ratios were formed, the routine and refinement of its organization were the reasons that Amsterdam's decline was slow and gradual ¹⁴⁾. This gradual decline, however, concealed its irrevocable nature and the causes of the process. Influential people, even Gysbert Karel van Hogendorp, one of the organizers of the country's liberation, thought that complete free trade would automatically restore Amsterdam in the position of a world economic and financial centre (v. d. Kooy, 61, Ch. V, S. 1). They, therefore, objected to the union with the industrial Southern Netherlands where the industry, fostered by the Napoleonic régime, now sought shelter against English competition. The King, who had to represent the interest of the whole Kingdom, had a difficult task not to be identified with one of the parties. More open to new developments, he was e.g. the first to introduce the metrical system in 1824 before even France, he clearly saw the fallacy of the opinion of the North. A thriving trade in the modern conditions could be based only on export production. He therefore took every opportunity to protect the promising upstarting industry of the South: textiles in Gent and metallurgy in Luik (Liège). He tried to combine protection to the South and free trade to the North by organizing a warehouse-system, an entrepôt system with deferred payment of custom-duties. The tariff of 1816 for the rest reflected William's opinion and was, therefore, frankly protectionistic. To please Van Hogendorp (in this case no more a free trader) the transit duties were fixed rather high. The idea was to force the hinterland to buy via Amsterdam. The effect was adverse. Amsterdam's trade did no return and transit trade availed itself of Hamburg and Le Havre. The Chambers of Commerce of Rotterdam and Antwerp being in favour of free transit-trade, withdrew their consent from any entrepôt-system especially when the king in 1828 abolished the possibility of entrepôt in private warehouses and ordered entrepôt-docks made in the important ports. The obstruction of free transit also embittered practically all countries, not only the hinterland but also Russia and England (v. d. Kooy, 61, Ch. VII).

¹⁴⁾ This graduality is not sufficiently clear from Trevelyan's otherwise excellent book (99a, especially Ch. IX), which shows impatience in letting London outrank Amsterdam even as a financial centre in 1688.

Decay of Dutch society since the 18th Century: Such were the difficulties for King William I: in the North a commerce which did not return: in the South an industry which had still to be developed, colonies which devoured millions, and expensive military obligations against France. And in this situation he stood practically alone for the enterprising spirit had departed from the North. He who had money kept it and acquired an income from bonds floated on the Amsterdam market by practically all governments of Europe besides the own. He who had no money could not be employed according to his ability. The population of the cities of Holland provided no able sailors, no industrious craftsman, but consisted of rich "rentiers" and on the other side, poor folk who lived on the dole. Rich people remained rich and poor people poor: no economic movements caused a shift of fortune. Such it was already in the 18th Century (L. v. Nierop, 76, p. 93). The cities around the Zuyderzee were dead: Haarlem was partly pulled down and overgrown by grass. The population of Holland in the 18th Century went through a process of painful downward adjustment (v. Nierop, p. 92) (Malthus, 67, III, p. 415). In the 19th Century the proletariat, poisoned by gin and suffering from malnutrition, nevertheless increased on the dole system like "bacteria on bouillon" says Mansvelt (69, I, pp. 338, 314). As a matter of fact, the rate of increase was rather small. The number of poor, who lived on the dole and were partly put in workhouses, increased till 1848 when they formed 14 % of the Dutch population (76, p. 106). In Amsterdam, 60.000 out of 200.000 belonged to the poor, here defined as those people who more or less regularly lived from the public doles. That the Dutch city populace was also morally and mentally incapacitated was evinced by the many energetic Germans who successfully settled in the cities as butchers, shoemakers, watchmakers etc. (76, p. 111). The condition of the Dutch urban population cannot be depicted in too dark colours. On the country, however, there was silent but increasing welfare. The time of the continental self-blockade had improved market conditions and the province of Groningen even had flourished. The high transport costs from the eastern provinces to Holland, which were normally as high as the transport costs from the Baltic to Amsterdam, were then no obstacle (Sneller, 90, p. 440). Intellectually, scientifically, the condition was deplorable. Only in theology did study flourish and the number of applicants was greater than could be employed by the Churches. In the fields of science recourse was generally had to German scientists while in the technical field the help of English advisers was indispensable. The English entrepreneur may be seen in the per-

sons of John Cockerill of Luik and of Thomas Ainsworth, who created the textile industry of Twente. German geographers, botanists and chemists (Reinwardt, Müller, Blume, Schwaner, v. Siebold, Junghuhn, Hasskarl, Soltwedel etc) appeared in all prominence in the Dutch East Indies and could not be dispensed with till well into the 20th Century (Koningsberger, 49, II, p. 317).

Entrepreneurs were not to be found and certainly not for the King's plans. The King was quite ready to supply the initiative and even invest his own money but he nevertheless needed capital from Amsterdam for his schemes of industrial development. But because the "rentiers" refused to participate, he had to resort to all kind of financial tricks to raise funds for the purpose from an unwilling parliament.

The N.H.M. 15): When however William decided to found a powerful Dutch Trading Company to fortify the position of the Dutch against the English, he met enormous enthusiasm in Amsterdam. The merchants there had seen that their position in colonial ex- and importing trade vis à vis their English competitors was hopeless. Already in 1817 the Amsterdam Chamber of Commerce requested the Director-General of Commerce and Colonies for a greater customs discrimination against foreigners and even for exclusion of foreign vessels from the transport of coffee (v. d. Berg, 16, p. 298).

William I could not allow the English to draw all profits from the colony without sharing in proportion the costs of government. This was also the opinion of Muntinghe who was on leave in Holland in 1823. In 1824 William I proclaimed the creation of the N.H.M. (K.B. 29-III-1824) after having carefully waited till the English parliament had passed the London Treaty on the colonies on March 17th 1824 (Mansvelt, 69, I, p. 66). In this treaty, which clarified the mysterious Treaty on the restoration of the colonies of London Aug. 13th 1814, England retired from Sumatra (Benkulen). The Moluccas were again closed. The Dutch gave up the possessions in India,

¹⁵⁾ The subsequent events of King William I's reign will show a contrast to Trevelyan's assertion: "One of the points in the Treaties of 1815 in which Britain was specially interested was the restoration of the Anglophil House of Orange...." (99a, p. 586). Even as a generalisation — covering as it does the period till 1815 — it must be used with prudence. It does certainly not apply to the Stadtholder-King William III (Macaulay, 66a, Vol IV) and if applied to the hereditary Prince of Orange — the later King William I — would lead to grave misunderstandings. Colenbrander, William's biographer, gives the facts. From the start William had been impressed by Napoleon (28, I, p. 97). Dutch Orangists complained that he had become a Patriotist (I, p. 213). On his attitude towards England Malmesbury wrote to Addington, premier in 1802 "...he is not only friendly to them (The Prussians are meant!) but really hostile to us" (I, p. 109).

Malacca and Singapore. This was not so serious. The ports of India where the V.O.C. formerly bought the important cotton cloth were useless since these were to be had more cheaply in England (Colenbrander, 28, II, p. 91). No Dutch expansion in Sumatra was, however, agreed to. At the same time, the English wanted to restrict the limits within which William I could autonomously use discriminating tariffs against them in the Colonies. In case Dutch goods were free, the English could not be charged more than 6 % ad valorem or else no more than double the duty on Dutch goods. Moreover, the Dutch were to leave native proa-trade completely free. This was to favour Singapore which, because of its freedom of duties and extortions, had attracted native trade very strongly and thanked its swift development to it (28, II, p. 96). As has been said, the reception of the news of the foundation of the N.H.M. by the disheartened Amsterdam merchanty was very favorable. Prospective stockholders in the whole kingdom subscribed for 69,5 million guilders on the first day though only 24 million had been asked. William I, not wanting to miss the unique opportunity, then raised the nominal stock of the N.H.M. to 37 million guilders. This was a disappointment to the subscribers whose aim had been to be allotted a bigger share of their subscription on the 24 million stock. King William obligated himself to subscribe for 3 to 7 millions according to the success of the emission. Moreover, he guaranteed a dividend of 4½ % on stock. The sum paid by the king as guaranty would, however, be repaid from later profits.

King William's wealth: Two things are striking in this connection: that capital for enterprising purposes was not to be had except with guaranty and also that the King possessed so much newly acquired wealth. For he not only spent millions on the N.H.M. but also on a number of other companies. Yet, as Colenbrander remarks (28, III, p. 112) this wealth did not exist in 1809 and most probably not even in 1813. It must have been acquired after his ascent to the Dutch throne. Colenbrander gives three possible sources of William's wealth.

- 1). important incomes from Polish and Silesian estates.
- 2). savings on his civil list. William was very frugal, economical and, as some said, even parsimonious.
- 3). fortunate speculation with these savings on the Amsterdam stock exchange with the advice of the Banker Saportas.

The N.H.M.'s scope of activity: The funds acquired by the N.H.M. gave William ample scope for his plans. There was no field of econo-

mic activity and no part of the world which lay outside the scope of the N.H.M. Encouragement of industry, trade, fishery, commerce with the newly freed South America States, the China-tea-trade, the building of a Panama-canal: everything was on its program. The national interest had to prevail over the purely commercial interest of the N.H.M.: it would be truly a national enterprise. It was allowed to charter only Dutch ships with Dutch crews for her transports and these ships should preferably be Dutch built. Dutch textiles had to be sold even if it were temporarily at loss. It is typical of William, who is pictured by his biographer as possessing the mentality of a German prince (28, II, p. 252), that no leading figure of the Amsterdam business world was appointed to the Board of Directors and that the Company was domiciled in the Hague, close to the real Master's offices. As he could not bring himself to use ministers but only clerks, he could neither bear to have a real entrepreneur in the directorate of the N.H.M. and the statutes of the company to him were no more than waste paper (Mansvelt, 69, I, p. 118). It soon proved though that this close link with the King was a salvation to the N.H.M. for all efforts to trade with Egypt, Levant, China and South America ended with losses. The King, through the Ministry of the Colonies, gave the N.H.M. a fat bone, namely a purchase contract of all Priangan coffee for twelve years at 23 guilders per picol and an advance to the Ministry of eight million guilders in silver (Priangan Contract 8-III-1825) (Mansvelt, 69, I, p. 122). This contract allowed transport only in Dutch-built ships. William had already in 1823 decreed that a premium of 18 guilders per ton would be given on big ships built on Dutch yards. So William had encouraged ship-building and at the same time created a demand for ships. From 1823 till 1827 keels were laid for 182 ships (69, I, p. 226). The technicians for the shipyards had to be employed from abroad, as well as most of the crew for the new ships (69, I, p. 148).

Restriction to the colonies: The N.H.M. in 1827 stopped trying to do an own trade but concentrated on Netherlands India. It more and more became an appendix of the Colonial Office, and as the colonies were governed by the King alone, without any participation of the Parliament, the N.H.M. became an appendix to the King. We may therefore say that in 1825 the V.O.C. system of draining the colonies of its produce and auctioning it in Holland, was revived. Of course, there was opposition to it by v. d. Capellen and his advisers. They obstructed the ready delivery of coffee to the N.H.M. and put difficulties in its way to get Dutch bills at official rate for part of the

proceeds of their sales of textiles. The first was serious but still more serious was the second for William I had seen the N.H.M. primarily as a promotor of the (Southern) Netherland's industrial export (69, I, p. 222). Therefore, Du Bus came out with a royal order to arrest two of the worst obstructers, an order which was duly executed (69, I, p. 183).

Encouragement of export: On the development of Belgian industry depended King William's plan of attack. The Société Générale had been created by King William (1822) to provide industrial credit to the cotton entrepreneurs of Gent and the metallurgical entrepreneurs (John Cockerill) in Luik and Seraing. The first blast furnace of the continent was built in Seraing in 1827 for Cockerill with credits from the Société Générale des Pays Bas (69, I, p. 237) ¹⁶⁾. The most important item for colonial export was textiles. Yet, in spite of improvements and the fact that the return cargo for the English ships was now restricted (there were still "free" coffee, spices and Banka tin), it was necessary to discriminate strongly between Dutch and foreign imports. Being hindered in this design by the stipulation of the London Treaty of March 17th, 1824, (see p. 112), William now declared that the customs limits on "subjects and ships" of the other party did not apply to import duties but only to flag-duties. In this way a difference of 25 : 35 % was created and since 1827 losses on imports of Dutch cottons made place for moderate profits (69, I, p. 202). Small wonder that the English helped the Belgian rebels in their struggle for secession.

The English were, however, far from being expelled by the N.H.M. It was apparent that thus far it had failed. A stronger means had to be added: namely the later "Cultuur-Stelsel". The N.H.M., as Professor Sneller used to say in his Rotterdam lectures, had to be the sole bridge between two solid columns, the exporting industry of the Netherlands and the export-cultures of Java. Unhappily, the Belgian rebellion pulled down the European column while the Javanese column was still incomplete.

¹⁶⁾ Adolf Weber (106a, p. 130) is right in regarding the Société Générale as an earlier bank for industrial credit than the Crédit Mobilier of 1852. The bank was however not founded as Soc. Gén. de Belgique but as Soc. Gén. des Pays Bas. The name was changed after the Rebellion of 1830 when it had already given important industrial credits. Such credits did not begin after 1835 as A. Weber writes (p. 250).

CHAPTER XIV

THE CULTURE-SYSTEM (CULTUURSTELSEL)

Tributational character: We have already seen that the word "cultuur" was used in the V.O.C.-period in the French sense of "culture" being especially the cultivation of the land. One could therefore also speak of coffee-culture or pepper-culture and the servile services in these "cultures" were called "cultuur-diensten". The "Cultuurstelsel" of Van den Bosch was a system of government cultures, the produce of which served to provide tributes to the mother country. The culture system was not an imitation of the Spanish government's tobacco-culture of the Philippines as Kolb asserts (59, Gesch. der Tabakkultur). Indeed, the similarity is striking and Kolb's remark indicates his wide knowledge but it is not correct. The Dutch, who had their Priangan-coffee since 1720, had no need to wait for the example given by Don José Vasco Y Varas in 1782. Van den Bosch' idea was not new. As far as perennial crops were concerned, it was a modification of the Priangan-system which in the Priangan continued to exist during the Culture-system. For annual crops, the example for Van den Bosch had been the "desah-lease" (G. H. v. Soest, 92, II, p. 45). What was new was the combination with the landrent system. This system was not abolished in Van den Bosch' plan. In fact, it would be optional for the individual peasant to pay his landrent or to enter into a contract with the government to spend 1/5 of his soil and 1/5 of his labour on a certain "culture". Any excess of labour would be paid. This might be tobacco and sugar in the plains and coffee in the mountains. The government during this time was considered to be the entrepreneur and to bear the risk of the crop. In case of perennial cultures which of course could not be fitted in a sawah crop-rotation the land was supplied by the government out of her uncultivated lands. The attentive reader who has read our treatise from the beginning will understand from these few facts that this could not be a voluntary system. Elout had seen through the scheme and had abdicated. It seems that the King had been informed by Van den Bosch about the forced character of his system (Burger, 24, p. 122). Of course, where landrent was assessed village-wise, it was understandable that the compensation of the claim

because of work done by the amount of landrent due to the government could not be arranged individually. And where collective "contracts" were made with the desahs the freedom of the individual was sure to be sacrificed to the interests of desah chief and government.

The introduction of the plan: Van den Bosch went to Java with his plan, where he arrived in January, 1830. The total exhaustion of the Treasury and the prophecies of Van den Bosch had made King William acquiesce in this system of compulsion and in the abdication of the able and faithful Elout. But the Culture-system could not be introduced forthwith. Van den Bosch began on a small scale with the indigo-culture in the Priangan and Cheribon. He overcame the objections of native chiefs by promising "cultuurprocenten" a remuneration in percents of the produce of their districts and he even gave them fixed sums in advance (Resolution 23-VIII-1830) (92, II, p. 69). The small scale on which he could begin made it impossible to take advantage at once of the termination of the Java war and the cession of Banjumas, Bagelen, Madiun and Kediri to the government. In fact, the nature of Javanese warfare had caused the population of Bagelen to be diminished to a fraction of its former strength. Semarang, Japara, Rembang had been devastated (Burger, 24, p. 145). The important provinces of Madiun and Kediri were annexed from the Susuhunan though he had remained faithful to the government, on the ground that they were located too far from the Sunan's seat to be well governed so that the population was terrorized by their chiefs. The incomes from the ceded territories were, however, computed and compensated by yearly payments of f 182.000.— to the Sultan and f 264.000.— to the Susuhunan (Stapel, 96, p. 256). But the Java war had not long been ended when the Belgian rebellion broke out in the night of August 25th. 1830; this was to cost the Treasury considerably more. In October, 1830, van den Bosch began to apply his system to the sugar culture. By resolution of Oct. 30th. 1830, he fixed the culture % for European and Native B.B. officials (92, II, p. 77).

It is not certain when exactly the news of the rebellion had reached him, but it must have been about the time of the proclamation. The emergency situation gave him extra courage to persist in spite of opposition. This opposition came from the India Council and especially from the able and high minded P. Merkus (92, II, p. 81). Van den Bosch still needed the support of his partners in the government and this was difficult with honest and determined opponents who based their refusal to cooperate on the constitution of the colonial government laid down in the Government-Regulations of 1828 (Regerings-

Reglement = RR) to which also the G.G. was subject. Under these conditions v. d. Bosch postponed all new culture-plans and asked express royal approvement of his system (92, II, p. 107). He seemed to be disheartened by the resistance experienced (92, II, p. 108). The royal approval was given by KB 20-III-1831 and reached v. d. Bosch some months later. At the same time he was awarded the Grand Cross in the Order of the Netherlands' Lion. The provisional RR of 1828, drawn up by Elout on the basis of the Colonization Report of Du Bus, was declared out of force. Only art. 109 which provided the issue of uncultivated land to entrepreneurs in lease, property or long-lease (erfpacht) was retained. Now Van den Bosch, loaded with new energy, made a plan for the complete execution of his Culture-system over the island of Java which was promulgated by Resolution of Nov. 30, 1831. From this time, Merkus had to refrain from opposing the principles of the plan (92, II, pp. 108/1130). We may, therefore, say that the Culture-system was devised and accepted to improve the bad state of the Treasury in general. Its final introduction was decided upon under the influence of the catastrophal financial development during the Belgian rebellion.

Beginning with the year 1832 all Residents were assessed for definite quantities of market products in proportion to their population. The assessments were made by a "Director of the Cultures" residing in Buitenzorg under the eyes of the G.G. As the opposition now centered its resistance on points of minor importance and on the dwindling supply of produce to free merchants via the Vendu Bureau. v. d. Bosch was by K.B. 12th. Jan. 1832 appointed Commissary General sothat he could put aside any clause of the R.R. At about the same date the King wrote an open letter to the India Council in which they were urged to loyalty and submission (92, II, p. 111).

A prospective successor, J. C. Baud, was sent out to be trained first by v. d. Bosch. It was only after Baud had arrived that v. d. Bosch made his capacity of Commissary General public and appointed Baud vice-president of the India Council and Lt. G.G. (June 1833) (92, II, p. 120). We see therefore that the Culture System, usually dated from 1830 on was only completely introduced in the year 1832 according to the plans and in the year 1834 in practice. These details have been faithfully recorded by v. Soest (92) though with a strong bias against v. d. Bosch and his system.

Limits to compulsion in ladang regions: How did the Culture system work? We shall set out to explain the important fact that the Culture system was restricted to Java. This fact is accepted by historians as a

matter of course without understanding the real significance. After our disquisitions on the differences of ladang regions and sawah regions, it will be clear to the reader that the Culture System could be perpetrated practically only in sawah regions. Even on the island of Java, the South Priangan and Bantam after some frustrated efforts had to be left to themselves. Several cultures were tried in Bantam, sugar, indigo, coffee, tea and pepper. Always extreme caution was recommended (92, II, pp. 144, 211, 217) and people who were able to migrate (ladang cultivators) were left out of the scheme (92, III, p. 163). Yet even the more sedentary population fled. From the 6000 conscripts (cultuurdienstplichtigen) in South Bantam in 1846, 2000 had fled already in 1850 (92, III, p. 163). Several examples of failures to enforce the Culture System on the few sedentary people of Bantam have been recorded by v. Soest but without drawing the right conclusion. The same applies to Burger (24, p. 32). The Outer Possessions were at the time badly garrisoned and policed which was an obstacle in the execution of the Culture System, in which European officials even bypassed the regent and contacted the village chiefs directly. That this, however, is insufficient explanation is shown from the case of Bantam and South Priangan. Ladang culture could very well be combined "en passant" with perennial cultures as pepper, coffee and later rubber, as we have shown. In Minangkabau (Sumatra's West Coast = S.W.K.) coffee had been planted by the natives on their own initiative so that a free export of coffee via Padang developed which amounted to 28.000 picol in 1830. Now Minangkabau was a land of mixed character i.e. there were many sawahs that constituted a core round which there was the sphere of the ladangs. Concentrically there was a third sphere of hunting and collecting. In 1833, van den Bosch tried to draw some profit from the S.W.K. coffee. The small forts which the government maintained were to purchase native coffee for 9 silver guilders per picol. As the government levied an export duty of 20% on coffee, she had an advantage over private traders to that extent. The N.H.M. would make stores of import-merchandise in Pajakumbuh and Padangpandjang containing cottons, iron-mongery, salt, and opium. However, little coffee was sold to the government, as the price was too low. That there was no compulsory system was already evident from the fact that hard currency had to be paid. In 1847, General Michiels established a government purchase monopoly for coffee intended for export. The coffee was, however, sold by the Padang Vendu Bureau to all traders on the same footing as to the N.H.M. It is possible that Michiels, "the small Napoleon of S.W.K.", exerted pressure on the kampong chiefs to cultivate coffee, but he

certainly did not introduce a full culture system. The reason for his action was that free coffee from many anonymous sources which was sold through numerous middlemen was often made heavier by adding water so that the reputation of the S.W.K.-coffee as a whole deteriorated (Mansvelt, 69, II, p. 51/6, 63) (Multatuli 74, p. 31). This measure was quite normal and effective. Practically the same has been done to Besuki-tobacco, copra and kapok in 1935, without there being a culture system. The coffee culture of S.W.K., according to its economic structure and late subjection, presented a middle road between a free and a compulsory culture. In the ladang regions of the Outer Possessions, compulsory cultures were in one way more easy to enforce, because, as we have said, the wider plains and the good water communications had made greater agglomerations i.e. greater kampongs possible of much greater permanency than in Bantam and South Priangan, and with a well defined and hereditary chieftain class. These chieftains could be ruled by remunerations and punishments, the system of making the donkey run by using the carrot and the stick. Such it was in Benkulen where the English had imposed compulsory cultures of pepper and later coffee, which were only abolished by Raffles in 1818 (69, II, p. 51). The methods of the English were very crude. Amounts of pepper were demanded at a low price and when these were not forthcoming, raids were organized. The big kampongs in which quite an amount of work had been invested were then burnt and the crops destroyed on the ladang where they could be found. In the light of this system applied by Raffles himself, De Haan judges Raffles's criticism of the V.O.C. system as "belonging to those manifestations of insular conceit, which use to make such a peculiar impression on outsiders" (45, I, p. 162). Where, however, such means could not be used, it was impossible to levy tributes in kind even though perennial products fitted so well in the pattern of ladang culture. For annual crops, of course, only sawah regions could be used.

After thus having shown that only Java could be intensively governed and put under compulsion, we can better understand the very clear difference between this tribute-ridden island with its paper currency and the Outer Possessions where trade could not be forced or regulated in that measure and where profits could only be made in normal trade. In the outer islands, therefore, the metallic coins of foreign extraction dominated, especially the Spanish dollar and could only much later be displaced by the Dutch guilder. In 1885, the government tax collectors declined payment in foreign coins (v. d. Berg, 16, p. 110).

Working of the C.S.: Now how did the Culture system work on Java? According to physical conditions, altitude and climate of the region cultures were ordered to be introduced, maintained or extended. The resident got his assessment which he again allocated among districts and villages. For this work he was now less dependent on the regent as European influence and B.B. officials now reached the individual desahs. The coffee assessments were generally expressed in the number of trees per family conscripted for culture service; the sugar tasks in numbers of bouws (= 0.7 ha) of cane. As far as coffee was concerned, the government supplied the land and the villages sent its workers. In case of sugar and indigo, the desah had also to give part of her precious sawahs. Sugar which needs a hot season, nevertheless, requires sufficient water. Towards the east of Java, this water could only be acquired by using the irrigation system of the sawah. One can ask "Why not grow sugar in the rainy west?" Because the soil was less fertile and population thin and because the best peopled parts were mountainous and cold and produced coffee. The disposal of the land in Middle and Eastern Java was facilitated by the dominating form of the "communal" desah (see p. 91). Where individual desahs or communal desahs with fixed shares existed they quickly disappeared and assumed the redistributive type, for the services were so heavy that property was no longer a privilege. Flights and other migrations were frequent so that newcomers were by will of the chieftain given the right to share in the land distribution. The closedness of the village was totally destroyed (Boeke, 18, p. 63). The chief separated a closed surface for the culture of sugar and divided the rest among the people who were entitled to it. Sometimes there was no "rest" because the whole sawah surface of the desah was taken for sugar-cultivation. This was generally the case with those desahs which lay round a sugar-factory and especially when the technique of production improved while the capacity and technique of transport lagged behind (Mansvelt, 69, II, p. 229). Transport became a serious bottleneck on Java ca 1845 (92, III, p. 98). The people of these desahs then got a share in the neighbouring desah. The fact of the total occupation of the desah proves — what the historians have not understood — that here also the ratoon system of sugar-cultivation was applied. This is confirmed by Koningsberger (49, IIa, p. 288) who, however, goes too far by asserting that this was the case during the whole Culture System. For in 1863 a maximum occupation of 1/5 of the desah was set as a general rule (Burger, 24, p. 173). In fact, the occupation was generally one third. This meant that a crop rotation existed of sugar-cane and rice in which the third part dedicated to sugar completed its turnus

through the rice-field in three years. In other words, the velocity of circulation was $1/3$ which is exactly the reciprocal value of the turnus of three years. This had become possible through the improvement of transport and the increase of the yield per bouw from 15 picol in 1830 till 46 picol in 1860 (Burger, 24, p. 154). The rotation with rice in the fields of the natives has become a characteristic of Java sugar culture as compared with the ratoonsystems of Cuba and the Philippines (Credner, 31) (Kolb, 58). To enforce compliance with the orders, corporal punishment was applied to the village chiefs who again meted out their punishment to the villagers. Van Soest, the enemy of the Culture System, gives us the following examples of punishments: prison, 25 lashes with the cane, hanging of the victim by the thumbs from a tree (92, III, p. 197) : fastening on a wooden cross with the face turned to the sun for one day, put in a pond for one night, eating horse faeces (p. 198). In the years 1862/3 during a period of 1,5 years, 474.375 cane beatings were dealt out, 376.206 on Java, 16.437 in Madura, 81.732 in all the Outer Possessions (p. 202). In 1865 corporal punishment in N. India was abolished (p. 205). Flight was frequent 1) to the woods, 2) to private estates, 3) to the Vorstenlanden. Sometimes only the chiefs remained. More often also women and children remained. They were then often subject to compulsion and punishment till their men returned (92, III, p. 204). Under the pressure of the Culture System, private entrepreneurs would have had no difficulty in getting fugitives as coolies to work for them and to settle in the plantation-kampongs. Therefore, the possibility of leasing uncultivated soil, which had been granted definitely by K.B. of 20-III-1831, was terminated in 1838. Few estates had been given out in the meantime.

The services of the population would be paid for in the form of cancellation of land-rent or in money, if and so far as they were in excess of the land-rent. That this could not be done individually we have seen but it was not done even for the village as a whole. Land-rent continued to be levied and this is recognized by most authors as a serious abuse of the system. Burger, however, in his useful dissertation has explained this in a way which removes many objections. The land-rent was not offset by the disposal of the land but only by the wages for the native planters. The land occupied did not belong to the individual but to the desah. Individual decisions by the peasants could not change that. There was, however, still reason to give the individual peasants an incentive for work. The hardest workers for the government got the highest planting wages (24, p. 137). The new system tended to profit those villagers who had no share in soil-

distribution. There was less attraction now in the possession of much land and people were willing, therefore, to grant the demand of the have-nots of an equal share of the land. The government also exerted pressure in that direction. Where there were few "cultures", however, neither the government nor the land shareholders were disposed to such a revolution. Therefore in the thinly populated Indramaju and in the eastern extreme (Oosthoek) the individual rights on the land have been best conserved (Burger, 24, p. 148).

The term "planting wages" was, however, misleading. This would make it appear that the labour was paid and that the government as an entrepreneur bore the risks. In fact, "planting" wages were calculated on the amount of produce delivered to the government. This was especially disagreeable where the final product was delivered by a private entrepreneur and manufacturer, as was the case with sugar and indigo. The natives always bore the risk, for the manufacturing-contractor received a fixed price for his sugar, deducted his fixed margin and divided the rest through the number of bouws which had been planted with sugar-cane (92, III, p. 115). When in 1846 the government refused to accept poor qualities, the contractors let the bad syrup run out of the kettles. The population were then the sufferers (92, III, p. 123). Another objection was that the land-rent was set up from f. 6.6 ml. in 1830 till f. 11,3 ml. in 1845 (92, III, p. 191). This indicated the growing capacity to pay on account of more money penetrating the desah under the C.S.

The contractors: When in 1832 v. d. Bosch energetically spread his Culture System over the whole of Java, it was difficult to find manufacturers who would work as contractors. In the beginning, these were mostly Chinese who got advances free of interest but had, nevertheless to be pressed by the Residents. The first European contractors were ex-coffee purchasers who had lost their position when the "free" coffee was annexed by the Culture System. The eyes of the entrepreneurs in the Netherlands were opened only when the Chinese made fortunes out of their contracts. Sugar contracts have been very popular since then (Burger, 24, p. 135) (Mansvelt, 69, II, p. 9). There was no tender for them, but according to v. Soest they were given to friends and protégés. The contractors became rich while government lost on the business. The sugar cost the government f 10.84 per picol when in the big storehouses. The N.H.M. then received f 8.86 pp. so that the cost in Amsterdam became f 19.70. In the auctions, sugar was sold for f 10.50 pp. so that a loss of f 9.20 ensued (92, II, pp. 223/6). Indeed we know that up to ca 1846 no profit was made on sugar

because of the inefficiency and inability of the contractors and their backward methods (69, II, p. 10). It was, however, essential for the Amsterdam auctions and therefore also for the success-article of coffee that a complete assortment of colonial produce be offered there. v. Soest reports that Baud's son who had run into a debt of 50.000 guilders to the government as a tea-contractor was given a favorable sugar contract to recuperate his fortune (92, III, p. 129). This, however, was not quite a protection but a rule aiming at recovering the expenses of the government. With the influx of Europeans, more efficient machinery was introduced. Steam replaced water and buffalo-power. The increase of the capacity of the factories however, did not move in step with the modernization of transport as we have seen already (see p. 120). The contractors often cooperated in friendly fashion with the Civil Service (B.B.). It was the influence of the contractor which penetrated the desah and reached even the individual native. The entrepreneurs, as well as they could, helped to improve sugar-cultivation with a view to raising the yield and to satisfying the increased capacity of their plant without transport frictions. In this way they became quite well acquainted with the cultivation and were ready to take this over from the government when the Culture System disappeared. So their influence was not altogether bad and it was often due to their personal contact with the culture-conscripts that payment indeed reached the individuals.

The scale of the C.S.: On how large a scale the C.S. worked can not be inferred from its geographical extent. This was Java minus Bantam, Indramaju, part of the "Oosthoek", the "Vorstenlanden" and the private estates. A good portion of the "Vorstenlanden" had been added in 1830, which was the more important because of the density of its normal population: i.e., not considering the devastations of the war of 1825-'30. The importance of the C.S. can better be expressed in amounts of laborers, coffee-trees, bouws dedicated to annual crops as well as the proceeds for the Netherlands' treasury. From a total sawah-surface on Java of 904.000 bouw 56.000 bouw were occupied by sugar and indigo in 1833 (1/18 part). In 1855, of the sawah-surface of the sugar-districts (242.000 b.) one sixth part or 40.500 bouws was occupied by sugar (34, p. 130).

In 1833 the number of coffee-trees had increased so much outside the Priangan that of 116 ml. trees only 47 ml. were in the Priangan (24, p. 131). In 1835 the total number was already 242 ml. The peak was reached in 1840 with 330 ml. trees (92, III, p. 233). The number then diminished to 318 ml. in 1850 (92, III, p. 138). The success

of the C.S. largely depended on the coffee-culture and v. d. Bosch was therefore very strict on the execution of his orders. When a resident once hesitated to accept a task of planting 900.000 new trees in consideration of the heavy burden which this would lay on the population, v.d. Bosch increased the task to 3,5 ml. trees. In such cases he could be tyrannical (92, II, p. 231). In the year 1858 451.000 people were occupied with the coffee-culture, 300.000 with sugar- and 110.000 with indigo-culture (24, p. 131). Tjoeng, however, estimates the total number in 1846 on 4 ml. people, wives, children and other members of the conscript's family included (97, p. 16).

Population: The population then was ca 10 ml. people according to Tjoeng. Baud in 1845 claimed an increase of population from 5 ml. in 1820 till 8 ml. in 1845 (92, III, p. 78). An increase of population is also stated by v. Gelderen (41) namely from 4.4 ml. in 1815 till 9.3 ml. in 1845 and 11.5 in 1858. It is, therefore, surprising that Furnivall can assert that the population of Java was "killed off" under the compulsion of the C.S. (40, pp. 342, 358).

Waste and inefficiency: The C.S., though necessary in a national egoistic sense in the absence of an enterprising-spirit in Holland, was a cumbrous and inefficient system. Scientifically, something was done but not enough. The regular application of scientific methods in plantation agriculture dates from after 1882. v. Siebold collected tea-plants in Japan for the beginning of government tea-culture in the Priangan. But after many costly experiments in its cultivation and preparation (a special tea-smeller had been sent over from Amsterdam), the gardens were farmed out to private entrepreneurs (1834). The real growth began only after Assam-tea had been imported in 1878 (49, IIb, p. 123). Coffee-gardens were made on a large scale but no care was taken to make terraces against the mountain slopes so that valuable soil was sacrificed to the relentless forces of erosion, the consequences of which are felt even in our time (49, I, p. 99). Tobacco-seeds were imported from Cuba and Manila. An official was sent to study tobacco-culture in Cuba. Yet Java tobacco was so badly prepared that the government suffered losses on the low prices obtained for it in Amsterdam (92, II, p. 238). Frequent were the erections of indigo factories on wrong locations which then had to be abandoned with loss to the government. Export cultures like sugar, tea, tobacco could succeed only with careful cultivation and preparation i.e. under strict European supervision. These conditions could not be satisfied by the government which lacked civil servants of the required capa-

bility. For that reason Baud erected a school for the N. Indian Civil Service in Delft (1842) the socalled "Bestuursacademie" in which the aspirants were instructed in the work of the C.S. This school until 1869 enjoyed a monopoly of education of B.B. officials. When the C.S. was at last destroyed by the awakened forces of the entrepreneurs, it was decided to make an end to this. The youths had, of course, been trained to look on every entrepreneur as a "fortune hunter", as Baud invariably called them (92, III, p. 72).

Because the number of officials was quite inadequate to the need for supervision and compulsion, radicalism was promoted among the officials and yet sabotage could not be stopped. Coffee-gardens were cleaned and weeded only where officials might pass by, the coffee-beans picked in a slovenly manner, ripe or green, and the trees damaged. From what was picked, sometimes half was thrown into the river to avoid the long transport to the place of collection. Only small progress could be made in the substitution of the West Indian wet method of preparation for the simple method of drying in the sun (69, II, p. 181).

The contemporary "free" cultures: These were, as we have seen, the landlease-estates of the Vorstenlanden and the private estates of Western Java. The private estates were of little importance especially since sugar-cultivation had practically disappeared there in 1835 (24, p. 132). The soil was poor and exhausted. Labourers had to be recruited from far away; American sugar made world prices decline. The government could compensate losses on sugar with profits on coffee but the owners of private estates, besides being unfit as entrepreneurs, could not grow coffee in the plains. Later, rubber would give them a new chance. In the Vorstenlanden, coffee-culture had already developed in the 18th Century, in what form we don't know, and by the 19th Century it was extended by leaseland-estates. Their extent diminished, however, with the annexations of 1830¹⁷⁾. After 1850 we see that in spite of competition by America and by protected European beet-sugar, the market for sugar became more favorable.

¹⁷⁾ It would be interesting to investigate whether Du Bus would have promoted these annexations. Many landlease-holders had been restored by him in the pacified territories. These entrepreneurs were now definitely expelled because no such form of lease was possible in government's territory. It is, therefore, reasonable to assume that Du Bus had no such annexations in mind though he might have yielded to military arguments. It is possible that v. d. Bosch in annexing the eastern provinces of peaceful Surakarta meant to hit this form of free enterprise.

The enormous industrialization of Europe and the mass-demand of the industrial agglomerations was well under way and so we see that private exports of sugar increased also. In 1855 there were exports of free sugar amounting to 310.000 picols as against 1.352.000 p. of government sugar. Burger now makes a bad mistake in supposing that these free exports came from the private estates (24, p. 156). They came, however, from the Vorstenlanden where now also the lowlands were leased for the cultivation of sugar. Tobacco-cultivation had begun there ca 1850 (49, IIb, p. 415). The Vorstenlanden became a focal area of "free" plantations. In 1854 there were already four large sugar factories in the Sultanates. Jocjakarta was especially important. In the Reports of the session of the States General of 1862/63 we find a request to grant a concession for the railway Semarang-Surakarta-Djocjakarta, the first railway of Java, to the N.I. Spoorwegmaatschappy (N.I.S.). Minister Franssen v. d. Putten, when recommending its approval reported several tobacco plantations. These were situated in the sultanate of Surakarta round Klaten on the andesitic ash-soils of the slope of the Merapi. Moreover, there were coffee-plantations higher up the slopes of the Merapi and one sugar factory. More sugar-factories were still to be built. Djocjakarta was "full of coffee-, indigo- and sugar-plantations". The coffee, however, was quickly being displaced by sugar. This proves that coffee-gardens had been located at too low altitudes. Franssen v. d. Putte proposed to extend to creditors of the N.I.S. a government guaranty for the payment of 4,5 % interest (14, p. 1115). In an appendix on the same question, a historical review is given of the transport-system of Java. Time and again the transport-bottleneck of the C.S. in 1840/41 is mentioned to justify the building of a railway (14, p. 1519). This in fact is a bit queer for the N.I.S. railroad was to serve a region of "free" plantations where the C.S. had never been applied. The extraordinary development of plantations in the Vorstenlanden had a reason, which was not in accordance with its free appearance. The leaselands had been taken over by entrepreneurs with all the seigneurial rights of the Javanese nobles. These provided the levy of one half of the rice crop together with some unpaid services. The entrepreneurs who wanted products for the European market now ordered an export-crop, i.e. sugar or tobacco, to be cultivated on half of the sawahs. Often through the middle of the sawahs there was a road which separated rice- and sugar- (tobacco-) fields. One year sugar grew to the left and rice to the right of the road, the next year it was vice versa. The velocity of circulation of the sugar-field through the desah was here 0,5 and the turnus was two years. The people were supervised in their unpaid servile labour by the

same stewards (bekels) who had previously represented the interests of the native aristocrat. Clearly we have here the case of a semi-domania-plantation. And Rouffaer (cited in Soepomo, 91) correctly calls them "a pure culture system like v. d. Bosch's in the hands of private persons". Later the services were modestly remunerated but remained compulsory. Where sugar was planted the peasants were deprived of half of their land for 18 months consecutively and the rice crop of the wet monsoon had to be skipped. In case of tobacco, however, which is planted in the dry east monsoon, no rice crop was lost. In both cases, the scarce water supply of the dry season was preferably tapped off for the entrepreneur's crop.

But even in government's territory, free cultures developed in response to the rising trend of the world's economy since 1848, the expansion of European industry, and the massive demand of the wealthy industrial nations. George Birnie, who had resigned as "contrôleur B.B." in 1859, settled in thinly populated Djember, a province of the Oosthoek, where he encouraged the natives to grow tobacco and sell it to him. The region was then covered with forests and swamps and the C.S. had not been introduced. But the soil was formed out of andesitic ash layers. Soon there came more entrepreneurs, e.g. Franssen v. d. Putte, who had first had a sugar-contract and was soon to become liberal deputy to the States-General for the constituency of Rotterdam and even Minister of Colonial Affairs. Once the entrepreneurs had found an outlet to the world-market, tobacco-culture increased. The entrepreneurs at first restricted themselves to purchasing and exporting. Then they improved the quality by drying and fermenting good leaves in their own establishment. To improve the quality further, they leased sawahs and had the owner grow tobacco under their supervision and with their seed (49, IIb, p. 487 ff.). In the Oosthoek the plantations have always retained the character of "purchase and lease-plantations" to use Leo Waibel's terminology with some modification (106).

Another example of "free" plantations on government's territory was afforded by the Sidohardjo-delta South of Surabaja, which fertile land was reclaimed by the application of Western technique on irrigation. Entrepreneurs paid f 100.— per reclaimed bouw against the right to lease yearly one quarter of the sawah's or 50.000 bouw (= 34.000 ha).

A third example is presented by the entrepreneurs who farmed the government's tea gardens in the Priangan (1834).

Moreover in Outer Possessions in the Sultanate of Deli, outside the region of the C.S. and not even in directly administrated territory, Nienhuys had begun to pioneer in tobacco. Nienhuys was an Oosthoek-

planter and had by fortune been informed by an Arab in Surabaja that such excellent tobacco was grown by Chinese kongsi's in Deli. Nienhuys began to organise a similar purchasing system in Deli as in the Oosthoek for his principals. He soon saw the advantages of own cultivation and the defects of the bought-up tobacco. It was difficult to persuade the capitalists to sink their capital in the enterprise (Boeke, 20, pp. 12/14).

In 1864 Nienhuys acquired his first "concession" from the Sultan of Deli for 1000 bouw against a present to the Sultan. No regular fee (*haçil*) was to be paid. The primeval forest was cut and tobacco planted with excellent results. Chinese coolies were recruited on contract first in Malaya and later in China. The soil formed out of andesitic ash layers, so scarce elsewhere in Sumatra, together with the well balanced moist climate having only a short dry period, determined the success of tobacco. Up to now tobacco has restricted itself to the andesitic soils. After the first success capital poured in. The Sultan quickly leased out what land he could even though it was thinly settled by a roving population (Lekkerkerker, 65). The theoretical land property of the Sultan now became a hard reality and a source of hard cash. The Sultan of Deli who had, in fact, been subject to the Sultan of Siak became an important person and a special contract was made up in which he put himself under the N.I. government. The Sultan of Siak however, by whose fidelity Sumatra had been preserved for the Dutch against the English, was later (1898) forced by Van Heutsz to sign a uniform "short declaration" (Korte Verklaring) together with several hundred small potentates whose relation to the government had not yet been laid down in writing. The "Korte Verklaring" in three terse clauses robbed them practically of all power.

N.I. money and valuta: Since 1780, paper money in the form of small size government bonds bearing interest had been valutaric in Netherlands India. New governments and new governors came and went without improving the situation. Raffles had drawn in Daendels's money but issued his own paper instead. The C.C.G.G. and Van der Capellen only added to the paper circulation. In 1824, the amount of paper in circulation was 10 ml. guilders, some having a validity of 12 months and bearing 9% interest. Redemption was impossible (v. d. Berg, 16, p. 82). C. G. Du Bus erected a central bank, the "Javasche Bank" in 1827 with the monopoly of issuing notes redeemable in silver money. The banknotes were very popular as they provided a comfortable means of payment for large amounts, which before that time involved voluminous transports of paper and copper. But the obligation

to pay silver on demand was too heavy. So long as the balance of trade was unfavorable, any amount of silver money brought from Holland was hoarded and exported, especially by Chinese who made important transfers to relatives in China (16, p. 55). When the C.S. had increased the exportable crops of Java manifold, they were not sold by the Vendu Bureau but were, through the mediation of the N.H.M., taken to Holland and sold there. So the C.S. did not improve N.I.'s valutaric position. On the contrary, even the products which had been sold by the Vendu Bureau before the introduction of the C.S. were withdrawn: Priangan coffee in 1825: even part of the production of Banka-tin (which had been increased by v. d. Bosch) went to Holland: spices might be sold by the Bureau, but only to customers east of the Cape of Good Hope (69, II, p. 30). Moreover, v. d. Bosch added to the inflation by forcing the Java Bank in 1832 to issue $f\ 3$ million in notes redeemable in copper money (16, p. 132). This autogenic copper money, with obligatory acceptance to every amount, was struck in Holland (Netscher, 75). From 1833 to 1842, 27 million guilders worth of copper was issued by the government to which was added 7.7 ml. gld. of false coins imported from Singapore and England where this export had become a regular business. So great was the amount of counterfeit copper that the possession of it, if not exceeding the amount of 100 guilders had to be tolerated since 1835 (92, II, pp. 203/8).

What Singapore and England had done during the copper inflation of Java, Holland had done in the yellon inflation of Spain in the first quarter of the 17th Century. Silver in this way mounted in agio and was increasingly hoarded and exported. As, however, the soldiers and the coolies of the Banka-tinmines had to be paid in silver, the Vendu Bureau was instructed to sell only against silver (69, II, p. 31).

The official recognition of a 20 % agio in payments to the government (1834) was not sufficient to stop hoarding (69, II, p. 25). In 1837, the Java Bank's reserve of silver had been exhausted and redemption in silver was stopped. This was sanctioned by the government in 1839 (69, II, p. 27). The government was well aware of the causes of the difficulties but as long as the Belgian rebellion lasted (till 1839) the motherland needed every available supply of produce and could not dedicate the proceeds of the auctions to stabilize the valutaric ratio of the N.I. guilder. This was only possible in 1846 when G. G. Rochussen gave out new paper money (recepisses) for which the Ministry of the Colonies in The Hague guaranteed transferability at the rate of 95 % (16, p. 84). It was only then that the C.S. could show its ability to stabilize the N.I. valuta. Without the

Belgian War this effect would have been immediately achieved. On May 1st, 1854, the recepisses were all drawn in and redeemed in silver. The operation cost 26 million guilders (16, p. 90). It must be added that in the meantime the economic condition of the Netherlands began to improve, a subject of which we shall treat later. We will not terminate this section without paying some attention to the person who played a leading role in the C.S.

Johannes van den Bosch: Johannes van den Bosch was born in 1780 as a son of a country doctor. The medical profession then, as we know, was not particularly esteemed. He received from his father no more than an elementary education and then entered a dispensary as apprentice. As this did not satisfy him, he went to Java as a soldier of the V.O.C. On his seventeenth year (1797) he was lieutenant of the pioneers. After that, through intrigues and through marriage into the right clique — as van Soest reports (92, II, p. 27) — he became a lt. colonel "with the pen in the hand" (1807). Daendels wiped out the old "cliques" and v. d. Bosch, who could not work in harmony with him repatriated. During the liberation of Holland in 1813, he commanded the fortress of Muiden and was subsequently promoted to general ("paper-general" according to v. Soest). He then drew attention by his energetic effort to solve the problem of Holland's poor by settling them on the heath of Friesland and Drente under strict supervision. No success was obtained. The colonies remained agricultural workhouses as the poor were not the material from which peasants could be made. In 1828 he went on a mission to Surinam to economize the government service. He also collected material about the slave plantation system, comparing it with the conditions which he remembered from Java. According to v. Soest (92, II, p. 39) he made a practical experiment about how hard a Negro, taken for the purpose, was able to work under compulsion. He concluded that the Negro slave could work as hard as five Javanese with their buffaloes (92, II, p. 42). He came back with many figures, prices, and notes and was able to impress the King so with them, that, as we know, he was appointed G.G., introduced his culture system and had the Du Bus-Plan dropped. Van den Bosch was a very authoritarian personality. During his G.G.-ship we don't hear much about the Minister of the Colonies. In Elout's place came a deputy-minister Clifford until v. d. Bosch himself returned in 1834 to take over this post. During his ministry the G.G.'s were simply more or less able instruments. The most prominent of them, Baud, who had been appointed lt. G.G. before v. d. Bosch' departure was never promoted G.G. He ably

executed what v. d. Bosch ordered from The Hague. The independence of the N.I.-government was quite abolished: the India Council was made a purely advisory body in Febr. 1836. As Colonial Minister, v. d. Bosch saw to it that the Netherlands' war effort was buttressed by growing colonial surplusses. In 1836, he was raised to the peerage with the title of Baron¹⁸⁾ and after he had been forced by Parliament to abdicate in 1839 the King showed his undiminished favour by making him a Count. In January, 1844, he died, one month after his abdicated royal master.

Van den Bosch's abdication, followed by that of William I, shows that in the Netherlands a development had taken place which we must needs describe now, for as we have seen, colonial policy was strictly determined by the motherland. Before, however, doing that we must resume the description of the N.H.M. where we left it i.e. at the beginning of the C.S.

¹⁸⁾ Most noble families in the Netherlands are purely bourgeois and raised by King William after the Liberation to acquire a balance towards the south. Already in the 17th Century most urban patricians bought open manors and added the names to theirs. This, however, did not confer nobility on them. In the South nobility was more numerous and moreover often increased and raised by the Austrian emperor who was sovereign from 1713 till 1797.

CHAPTER XV

THE N.H.M. DURING THE CULTURE SYSTEM

The two political events, the introduction of the C.S. and the Belgian rebellion had important consequences for the N.H.M. The Belgian rebellion compelled the N.H.M. to stop by and by its orders from Gent's cotton industry. The Belgian employees were dismissed. The problem for the N.H.M. now was to find other purveyors and preferably to create a Dutch cotton-industry. The introduction of the C.S. on the other side was most favorable to the N.H.M. because the government considered the N.H.M. as a creation of herself. The N.H.M. was more than willing to accept this position as the results of her efforts to engage in world trade were discouraging.

N.H.M. and war finance. In the Priangan Contract of 1825 the N.H.M. was still a buyer of government's products and the advance of 8 million guilders was well covered by the coming coffee-harvest. As soon as the Belgian Rebellion broke out, the advances demanded by the government increased. The indignation of the North had quickly subsided. Many were glad to be rid of the protectionist South. William I soon found difficulty in getting the budgets approved by the States-General which he needed to maintain his intransigent attitude. He used all money sources he could find. The government promised the N.H.M. the whole produce of the C.S. if it was willing to increase its advances. The N.H.M. consented "à contrecoeur" because the government threatened to shift its favour to private merchants. These advances could soon no more be refunded from the proceeds of one year's auction so that a long term debt accumulated which amounted to 40 million in 1839. This does not imply that the N.H.M. swallowed the whole proceeds from the auctions. This the government would not tolerate. What was left after deduction of commission and costs went into the Treasury of the Ministry of the Colonies, so that Mansvelt is justified in speaking of a "blank credit" given by the N.H.M. to the State after 1836 (69, I, p. 405). This Ministry's Treasury supplied nearly 44 ml. guilders to the army and navy in the years 1835 : 1838 (69, I, p. 418). The N.H.M., therefore, took the risk of a State's bankruptcy with a sum surmounting that of her initial stock. In 1835, the N.H.M. had issued bonds to the

amount of 10 ml. guilders. It may be that the dangerous position of the N.H.M. was unknown to subscribers and that they were lured by the big profits, but they subscribed for 110 ml. guilders on the emission of 10 millions (69, I, p. 386).

Extraordinary profits: Indeed, the profits were proportional to the risks. For when the N.H.M. took upon itself to finance the government it diminished its risks in another respect. The N.H.M. no longer bought the government's produce, but only shipped and sold them, charging 9 % commission plus 2 % commission for its Batavia-office (the "Factorij") and moreover deducting from the proceeds what it had paid to shipowners, insurance-companies etc. The N.H.M. had become financer and transporter of the government. She fared well in this dangerous and humiliating position for, where from 1825 till 1831 William had had to supply the whole or part of the guaranteed dividend of 4,5 % on common stock, from 1832 4,5 % could be paid out of the profits and moreover a surplus be used to reimburse the royal guarantor. For 1835, a dividend of 9 % was paid and at the same time the remaining 3,7 ml. guilders paid back to the King. We then see mounting dividends till 1839 when a peak of 13 % was reached (69, I, app. III). The profits of the N.H.M. induced v. d. Bosch to economize on the services rendered. In the consignment contract of 1835, the commission was decreased. Moreover, he rightly stopped the sea insurance of the government's products. As the government-shipments formed nearly 100 % of the insurance-companies' business, the government could better bear its own risk. Also an end was made to the repayment of shipping costs. Fixed prices for transport were set which gave the N.H.M. an incentive for efficiency (69, I, p. 388). The whole change in the N.H.M.'s existence had been brought about by the government's Culture System and not by the entrepreneurial activity of her directors. When, therefore, the N.H.M. later boasted of having been the cork on which since 1830 the motherland kept floating, Baud, then Minister of the Colonies, was greatly annoyed. In the consignment contract covering the period 1849 : 1874 which was prepared in 1846, Baud therefore insisted on putting in writing that the relation between government and N.H.M. was one between principal and agent (69, II, p. 221).

The N.H.M. and Twente: What made the N.H.M. boast especially were its merits in creating a North-Netherlands' cotton industry. We shall see however that also in this field these merits were restricted. The orders of the N.H.M. had made Gent's cotton industry great.

The entrepreneurs knew they could rely on the King's policy. They knew that their merchandise would be exported in spite of losses and that the orders of the N.H.M. provided a reliable basis for voluminous improvements and investments. Even industrial credit was awarded with no sparing hand to those entrepreneurs who, by their abilities, had drawn the King's attention. The entrepreneurs had shown themselves responsive towards the King's policy and industrial development was quick. By the rebellion, this wonderful cooperation was stopped. The King's rule had the support of the industrialists and the progressive bourgeoisie. The Catholics were loyal, according to Mansvelt (69, I, p. 239), but extreme liberals financed by France and later even supported by a French Army, were able, with the benevolence of England, to accomplish the separation.

The King now believed, that, by creating the same favorable conditions for industrial development in the North, a new industry could be created which was able to replace Gent. Therefore he also wanted to retain protection which disappointed those who had expected that now every obstacle in the way of free trade would have been removed. In this belief, he was strengthened by v. d. Bosch who proposed to awaken the old textile industry of the inland cities of Holland like Delft, Leiden and Haarlem. In this way the abundant number of poor could be diminished (69, I, p. 264). The poor could perhaps supply the labourers but the initiative of the government and N.H.M. had to be implemented by entrepreneurs and these there were not. The responsiveness of the North was disappointing as could have been expected. Luckily many Belgian entrepreneurs had resolved to follow King William and had moved to the North where they declared themselves ready with financial aid from the N.H.M. to start new factories. The N.H.M. gave a loan for a factory in Haarlem but it feared that on account of the high costs of living the wages would have to be too high. It later appeared that they certainly were, but largely owing to the physical and moral unfitness of the poor for work. The director of the N.H.M. Willem de Clercq, even had to reprimand the Belgian director to keep Christian discipline among these reprobates (69, I, pp. 335, 338, 314). All skilled labour had to be imported from elsewhere, especially from Belgium, Germany and Switzerland. Moreover, the directors and, notably, Willem de Clercq who because of financial difficulties had not been able to study theology, entertained misgivings concerning the desirability of factories in relation to the health and morals of the people (69, I, p. 272). Willem de Clercq was requested, while on his furlough, to investigate the possibilities of developing Twente where, as in Westphalia, the landpeople were used to spin

and weave linens at home for collecting entrepreneurs. These merchants sent them to Amsterdam via Zwolle whence they were exported to South America. De Clercq during his stay there by good fortune met Thomas Ainsworth, one of these Englishmen, who for some reason saw better possibilities for their industrial knowledge abroad. This fortunate meeting determined the growth of Twente's cotton industry. When one takes notice of these circumstances, one is struck by the unique character of history where the automatic, impersonal or, to use Windelband's expression, nomothetical forces only create historical events when touched by unique, fortunate or, for Calvinists, predestined circumstances. We will, therefore, describe the meeting of these two men from what Christemeyer (26) has said in his pamphlet. How De Clercq came to Twente has already been told. He stopped for the night in Hengelo in August, 1832. But why did Thomas Ainsworth come to Twente? He was on his way to Elberfeld, Germany, where industry was developing and where he was going in his capacity of industrial adviser. His father had been associated with Peel Sr., the father of Sir Robert Peel. His father had lost fortune and the young Thomas, quite "au fait" in modern industry, went to Brussels as industrial adviser in 1827. The rebellion of 1830 was strongly disapproved of by him so that frictions ensued which induced him to leave for the North. He organized a paper factory for Messrs. van Gelder, Schouten & Co., the beginning of the present big paper concern. Seeing probably that there was little work in the Northern Netherlands for an industrial adviser, he set out for the Rhineland. He stopped in Hengelo in the "Logement De Zon", landlord: Schwalemeyr. It happened that Willem de Clercq and his family alighted at the same inn. When he entered, he saw Ainsworth, busily writing with lay-outs and drawings before him. Willem de Clercq, seeing that he was a foreigner, addressed him in German. No answer. He repeated in French. No answer nor any sign of having been noticed. (Yet Ainsworth spoke French well!) For the third time De Clercq addressed him, now in English. At once Thomas Ainsworth rose and answered. The two men "for both of whom ethics were the foundation of their life" understood each other. Factories were unnecessary, all Ainsworth needed was "a frame, a flying shuttle and a poor boy" (p. 16). Thomas Ainsworth entered the service of the N.H.M. He opened a weaving school in Goor in June, 1833, with English instructors. A number of poor children were taught to use the flying shuttle and when they had acquired the art even received some wages. When they had become sufficiently proficient, they went home with a weaving-frame (on credit) to work with for the N.H.M. and pay for

the instrument in installments. In 1836 the school in Goor had in this way distributed 5000 to 6000 frames (p. 22). Directors of poor houses, burgomasters, even the collecting entrepreneurs sent pupils. The weaving of calicoes spread into all cellars and huts of Twente's heath and even in Gelderland's "Graafschap". Municipalities requested similar schools and offered buildings for the purpose. There were 15 branch-schools in 1835. However, bleaching, dying and printing had to be done in the factories of Haarlem and Leiden.

Export subventions: Van den Bosch had returned medio 1834 and insisted on forced export to the colonies to displace the English as importers. The idea was also to diminish the drain of silver. In April, 1835, the colonial ministry and the N.H.M. concluded the first "Lijnwaden-Contract". The N.H.M. agreed to export Dutch calicoes to Java to the amount of 3 million guilders. Losses up to 12 % of that sum would be refunded by the Ministry. The discrimination affecting the English merchandise was as follows: 25 % import duty on the English article and a subsidy of f 0,25 per exported calico on the Dutch articles: moreover, a 12 % loss guaranty (69, I, p. 288). From 1835 on the N.H.M. could dispense with Belgian calicoes. In 1836, the Dutch exported 3,5 ml. guilders and the English f 2,6 ml. Unhappily, the English had, in Dec. 25th, 1835, forced the Dutch government to interpret the Sumatra Treaty of 1824 in their way. The English now could be required to pay only a 25 % duty if the Dutch paid 12,5 % themselves. The customs in the colonies were instructed and the N.H.M. had to pay 12,5 %. But this had not been provided for in the Calico Contract. So the Minister allowed the N.H.M. to draw them back under the heading of "extra expenses". This secret arrangement was retained in the second "lijnwaden-contract" of 1838. In this contract the export was increased to f 5 ml. but the guarantee diminished till 6 %. The losses on the previous contract had sunk to even 0,25 % in the year 1837/38 exclusive the 12,5 % draw-back (69, I, p. 331).

Twente dragged on malgré lui: What was the position of Twente's calico industry in 1840? The poor had disappeared. Even Germans settled in Twente to enjoy part of the orders. In the whole Northern Netherlands, 14.600 people found work in cotton industry (69, I, p. 337/40). Yet, according to Mansvelt, its vitality was not certain. Business and poor-relief were still too much confounded. Willem de Clercq divided the orders among applicants in his patriarchal ethical way. Manufacturers, being solely bent on profit, were to him a horror.

Every deserving applicant got a small order at a price high enough to recompense even the most backward producer (69, I, pp. 299/300). There was little resistance against this policy. Even the collecting entrepreneurs, among them the forefathers of the present opulent textile families of Twente (Blijdenstein, Ankersmit) were very conservative people, without much initiative or scientific education (69, I, pp. 308/12). So here also we see that the Netherlands were far from having been brought to prosperity by its entrepreneurs but were in fact dragged on toward progress by a few energetic and far sighted men, first of all, King William the First. Of course, the King had to be authoritarian and in fact, his whole mentality was closely akin to that of the Germans (Colenbrander, 28, II, p. 252). Small wonder in a man who was predominantly German by birth and who had been prince of Fulda and general of the Prussian army. For him the nation was the lifeless object on which he tried what seemed best to him, says De Beaufort (Colenbrander, 28, II, p. 27).

Abdication of William I: The nation was however not so lifeless in a negative way. This the King noticed well enough and it made him resolve to abdicate in 1839. It must be conceded also, that the King's intention to marry a Catholic Belgian Lady, Henriette d'Outremont, who had been attached to his court, was disapproved by Parliament and the nation. William now retired to his Sitezian estates under his family name of Count von Nassau. He died in Berlin in December, 1843, a lonely man. Before his abdication, he had been forced to send away Van den Bosch and had to consent to having the colonial surplus spent according to the law. Before that, the King had allocated it to the war effort, to waterways or land-reclamation as he judged fit. The Parliament, however, wanted more than the command over the surplus, it also wanted to control the source itself. But it would soon perceive that the new King was as adamant in guarding his prerogatives over the colonies as his father had been.

CHAPTER XVI

THE NETHERLANDS IN THE PERIOD 1840: 1848

King William II: King William I was succeeded by the crown prince William. The Crown Prince, under Wellington, had distinguished himself as a soldier in Spain and Waterloo. He was a good general though impetuous and wilful and had contrived to be mixed up time and again with shady plots of Bonapartist circles in Brussels against the Bourbons. His bêtises had caused his father and his brother in law, Czar Alexander I, much trouble. Even Wellington had to intervene to patch them up. For more than twenty years the Crown Prince had set a bad example, had lived in disharmony with his father whom he evaded and hurt intentionally on many occasions. In his father's authoritarian days he had intentionally sought the company of Belgian liberals. He was prominent among the Freemasons. But the King, distrusting him, made his younger brother Frederic grandmaster with the task to freeing the Belgian Freemasons from Paris and subordinating them to Prince Frederic, along with their Northern colleagues. The Crown Prince remained at the head of his pet lodge l'Espérance in Brussels. Whether it was due to his becoming king himself or to the reprimands of the Czar or to his unbalanced character, is not sure, but he forgot his liberal ways completely. The abdication of his father before the liberal opposition in Parliament had taught him nothing.

The N.H.M.: The Parliament, after its victory over William I, had now to bring order into the tangle of financial commitments among the various institutions created by the old king. The claim of the N.H.M. on the government for 40 ml. guilders, when disclosed by v. d. Bosch, had provoked noisy protests. The N.H.M., hateful to Parliament as the supplier of funds to the King, was charged with making usurious profits at the cost of the Treasury. It was dubious whether the new consignment contract would be approved of.

The parliament was, however, not all-powerful. The new king gave it no chance to pursue its victory over him. He was ably served by Colonial minister J. C. Baud, who had returned in 1836 to occupy a high post under v. d. Bosch. Maybe the Parliament realized that the N.H.M. was only a bridge, an instrument and not a determinant

in politics. Anyway, the consignment-contracts as well as the "Lijnwaad"-contracts went on. The clandestine "draw-back" had to be terminated for political reasons. As this was contrary to the promises made by Baud to the N.H.M., a new way was found to favour the N.H.M. The government pledged itself to supply Dutch valuta à pari for half the proceeds of the sale of cottons. For the rest of the proceeds, the N.H.M. was allowed to buy extra products from the Vendu Bureau which, otherwise, had to demand payment in silver. As the real exchange ratio was 72 % to 80 %, the N.H.M. had an advantage of 28 to 20 % (69, II, p. 46). In 1842, the Department of Finance in Batavia, or rather its chief J. D. Kruseman, refused to accept half of the calico proceeds from the N.H.M. on these conditions. Kruseman was now dismissed by Baud. But the arrangement of "pari-remise" became a public secret, partly because Dutch consigners did not share in the profits (69, II, p. 184). In the "Lijnwaad"-contract of 1843, it was therefore, stipulated that the consigners should have the same percentage profit. The N.H.M. accepted this because she was bent on keeping the monopoly of Government-produce consignments (69, II, p. 123). When Rochussen propped the N.I. guilder up to 95 %, "pari-remise" was less important and was stopped (1846) (69, II, p. 50). The loss-guaranty was stopped in 1843. The N.H.M., which had been so curtailed in its profits, in its turn tried to compensate for this by more efficient purchase. Willem de Clercq, the frustrated clergy-man, had died and the N.H.M. now opened a tender. Loud complaints of entrepreneurs, among them Blijdenstein, Ankersmit and Stork, and the factory owners from Haarlem and Leiden induced the government to persuade the N.H.M. to resume the patriarchal way of doling out orders (69, II, pp. 113, 119, 123).

The Netherlands economically: Small wonder that Germany, Switzerland, Belgium and, of course, England were far ahead of Twente. In the cotton industry of Twente, the Industrial Revolution was practically unknown. The Dutch exposition at the London International Exhibition of 1851 made a poor impression. Real factories were to be found only in sugar refinery (Amsterdam) and in the dying, printing and bleaching industry of Holland (69, II, p. 235).

Shipping, which had been so well begun by William I, also seemed to lose all impetus under the patriarchal chartering policy of the N.H.M. Under this beneficial patronage, there were soon too many ships to be fully employed, namely 146 ships of together 100.000 tons in 1837. Only 72.000 tons were needed. These ships were owned by a great many small owners (69, II, p. 127). It was then determined

that only ships built before 1841 were eligible for a N.H.M. charter but, there being still too many of them, a list to be drawn up so that each would get its turn (69, II, p. 129). Most ships did not even try to find other cargo but quietly waited for their turn to sail for the N.H.M. or rather for the Culture system.

In marine-insurance there also was a system of equitable distribution among many small companies. The proprietors' knowledge of their own businesses was deplorable and they were only so many parasites on the government (69, II, pp. 149, 343).

The number of the poor increased after 1839 when the soldiers were discharged, and the poor soon formed 10 to 12 % of the population (69, II, p. 238).

Such was the position of trade and industry. Agriculture was an exception. As in England, it had been protected against Russian and Prussian imports since 1835. American cheap wheat had not yet come to Europe. The protection was cancelled in 1845 after the potato-famine. But, with or without protection, agriculture fared well in this period of expanding industries. Arthur Young had already complained about improper display of luxury among English peasants e.g. "a pianoforte in a farmer's parlour, which I always wish burnt, . . . expensive boarding schools . . . sons at the university to be made parsons . . ." (recited from L. Woolf, 110, p. 158). The Netherlands, predominantly agricultural, were also soon to profit when the surrounding countries went on industrializing.

On the whole we get the impression of a nation which unwillingly is dragged on towards recovery by fortune and some energetic leaders.

Public finance: This recovery could also be felt in the sector of public finance. As soon as the Belgian war had ended, colonial surpluses enabled a balanced budget to be reached in spite of a crushing national debt. J. J. Rochussen, the new Minister of Finance after 1840, from the beginning had put all his hopes on these surpluses (69, II, p. 90). During the Belgian War, national debt had increased by f 408 ml. and the interest charge by 19 ml. guilders. The whole debt amounted to f 1324 ml. in 1844 (Buys, 25, pp. 106, 156).

According to Buys, from whose lectures, published in 1857, we derive these figures, King William I was the cause of the bad financial situation. Buys did not recognize the backwardness of the Dutch in the rapidly developing technical world. He even refused to concede that it was the C.S. which made budgetary equilibrium possible in 1845 without tax increase and which after 1850 provided the surpluses of the budget which were used to repay part of the national debt.

'The improvement of public finance is attributed by Buys to the successful measures of Finance Minister F. A. van Hall in 1844. These measures consisted of

- 1) a new loan at low interest under the threat of a tax on property. All people were assessed but those who had sufficiently subscribed were believed to have declared the truth. A sum of 110 ml. gld. was subscribed (v. Soest, 92, III, p. 63).
- 2) a loan of f 35 ml. at 4% on the colonial possessions.
- 3) the sale of f 80 ml. Belgian government bonds.
- 4) the conversion of the 5% and 4,5% government loans (25, p. 164).

Since 1839 the colonial surplus had been spent according to the wish of Parliament. It served to balance the Dutch budget with lower taxes than would otherwise have been necessary at the same level of expenses. The Dutch railway system in those days was largely built from colonial surpluses as Dutch capitalists were not enterprising enough to risk their money in railways. Is it wonder that the C.S. had practically no opponents in Parliament, even among the liberals? Only through the C.S., according to Baud, could Java be what it was: "the cork on which the Netherlands floated" (v. Soest, 92, III, p. 101). Van Soest, the enemy of the C.S., must concede with grieve: "after 1840 the C.S. had had to fear no attacks" (III, p. 109) and elsewhere: "the exultations increased with the amount of colonial produce" (92, III, p. 29). Also in the Indies the opponents had disappeared. The population had grown accustomed to it. The B.B. officials, natives and Europeans, drew their percentages. Residents, who had earned 10 or 15.000 gld. p.a. before the C.S. had some 10.000 to 25.000 gld. extra about 1846 (92, III, p. 169). Most striking of all, P. Merkus, v. d. Bosch' gallant opponent had been broken in. As G.G. (1842 : '44) under Baud he perpetrated the system he had formerly so much opposed (92, III, p. 93).

Small wonder that the liberal revolutions of 1848, which "made William II overnight from conservative to a liberal" and brought the liberals to power in the Netherlands, had little influence on the colonies. Baud, the personification of the Culture system in its accomplished stage, had to go, not in this capacity but in that of the representative of the authoritarian period, now overcome.

CHAPTER XVII

THE TRIAL AND ERROR PERIOD OF PARLIAMENTARY COLONIAL POLICY

(1848 : 1870)

The RR. 1854 and the C.S.: In 1848, a liberal constitution was promulgated for the motherland in which the colonial government was withdrawn from the King's personal care and subordinated to the Parliament. This meant that the colonial constitution laid down in the socalled Regerings Reglementen (R.R.) had to be framed by Parliament. It took the Parliament six years before she had completed her first R.R. of 1854 and that in spite of earnest reports which had reached her about starvation in two districts of the residency of Semarang. Later authors have attributed the starvation to the excessive claims of the government sugar-culture on the sawahs and labour of the population. The extent of the starvation-stricken aera seems to have been exaggerated. Nolst Trénité (77) points out that only two isolated districts were ravaged. Burger (24, p. 160) denies that the C.S. was the cause but attributes it to heavy government requisitions of "heerendiensten" (servile labour) for other purposes like road building, etc. Of course, such services had always been demanded and the building of a fortress especially always was a catastrophe to the population.

It is curious to see from the R.R. 1854 how carefully even the liberals retained the C.S. Only in very general terms were excesses forbidden. The India Council was restored in its powers. We shall try to give a translation of the articles in the R.R. 1854 which bear on the C.S. (see Nolst Trénité, 77).

Art. 1: The G.G. maintains as much as possible the government-cultures.

Art. 2: As far as the government-cultures occupy the natives' arable land, the disposal of it must be reasonable and in accordance with the existing rights and customs.

Art. 6: A transitional phase is to be initiated in which compulsion is to be replaced by voluntary agreements with desahs and individuals, until the intervention of the government in the cultures can be dispensed with.

It is clear that the Civil Service, the B.B. could execute these articles as it wanted. Clearly, in the Parliament for the time being the C.S. was unchallenged.

Entrepreneurial agriculture in government territory: But, of course Parliament desired the possibility of entrepreneurs leasing land according to R.R. 1831, suspended in 1838, revived now, though under conditions still to be devised (Art. 12). These conditions were formulated in 1856. The entrepreneurs, however, were not satisfied with the conditions of 1856 which provided no means for leasing the desah's arable soil so that the annual crops of the plains, sugar and tobacco, could not be cultivated by entrepreneurs in the government's territory. It was here especially that the entrepreneurs were restricted to manufacturing contracts, though they had thoroughly acquainted themselves with the cultivation of the cane. They were especially eager now to supplant the government also in cultivation. We see how the C.S. had trained unwilling men to become fervent entrepreneurs. The mountain-cultures, generally of a perennial nature (coffee, tea), could avail themselves of the conditions and indeed several coffee plantations were established after 1856 (49, IIb, p. 10). But though the perennial crops required less intensive labour than the annual crops of the plains, the free labour supply for entrepreneurs was still too small. Even the government, which could dispose of servile labour, had to plant coffee at too low an altitude — sometimes even 200 m — just to remain in the vicinity of the population. The density of population was the crucial question. The juridical objections against art. 12 were of secondary importance. So e.g. the land thus acquired could not be mortgaged which made it more difficult for the entrepreneurs to obtain loans. Most entrepreneurs sought to acquire such loans, which in the absence of mortgage banks were given by exporting houses in the form of a "tying contract" i.e. the client had to consign his harvest to the creditor. The Batavia branch of the N.H.M., the Factorij, gave many such credits on mortgage of the factory-buildings or in case of private estates also on the land. In case of "lease", only advances on the crop could be given, no long-term credit (69, II, p. 359). Moreover, "lease" was a personal right and could therefore not be transferred, a circumstance which decreased the value of a plantation. Important was the objection against the maximum duration of twenty years, which was far too short for the perennial cultures and for the long-term investments in buildings etc (Nolst 77).

Entrepreneurs in the Vorstenlanden: Small wonder that the "Vorstenlanden" were very much preferred over the government's territory. The Principalities, especially after 1860, became a bee-hive of enterprise. The Sultans and nobles gladly leased out on long term what land they had. Except for the infertile Karst area of the Gunung Sewu in the south, the sultanates were by and by completely leased out to entrepreneurs (see map 3 and 4). The first railway was built to the Vorstenlanden in 1863. Until 1863 the enormous demand for long-term credits was satisfied by the exporting houses but in that year a number of socalled "Culture-banks" sprang up. The Vorstenlanden was their principal field during the C.S. but also in government territory the sugar contractors demanded credits since Rochussen in 1846 had stopped the government advances to sugar factories (69, II, p. 360). It is understandable in a time of a rising world trend of business that the entrepreneurs wanted credit and were not content with the conditions of 1856.

Problems of land legislation: The colonial ministers had therefore to solve two problems:

- 1) how to give the entrepreneurs long-term, mortgageable rights on the land,
- 2) how to make the lease of native arable land possible for entrepreneurs.

The first problem was easy. The government could lease the uncultivated land, covering two thirds of Java then, on which she had an unquestionable sovereign right. The second problem, however, was more difficult. The European entrepreneurs and the native population were not put under a uniform law as was the policy of British colonial administration. They each lived in a separate legal system, no fragments of the one could be fitted into the other without special legislation of "intergentile" character (Nolst, 77). This was the reason that a European could never acquire rights from the natives outside the scope of intergentile law. A transfer of rights was possible only via the common sovereign.

The framing of the intergentile laws needed by the sugar entrepreneurs was a difficult task. It could only make sense if the C.S. withdrew, for else the entrepreneurs, for all their rights, could not enter the field of cultivation. Of course, the interest of the Treasury and the tax payers were involved. The "adat" rights of the population had to be respected. Here the small "ethical" faction was in the alert, headed by the influential clergyman Dr. W. R. Baron van Höevell. Moreover, under free exploitation, the auctions of Amsterdam might

be damaged. This fear, since 1854 regarded only coffee, for government-sugar since that year was again sold by the Vendu Bureau in Batavia. English houses became prominent in the export to England, which had become the principal customer since protected beetsugar supplied the Continent. It took a long time to solve the problem (1870) and during this period colonial ministers changed practically every year, often dragging the whole cabinet with them in their fall. Franssen v. d. Putte, an ex-sugar-contractor (as such a customer of the N.H.M.) and tobacco-planter came near the solution but was also forced to abdicate. He abolished corporal punishment in N. India (1865) and excluded the European B.B. from the reception of culture-percents (1865) (92, III, pp. 181, 203).

Multatuli: In this period, a book appeared that had a tremendous influence on public opinion in favour of the hard-pressed population of Java. It promoted the action against the C.S. There is, however, no direct link between the C.S. and Multatuli's book: "Max Havelaar" with the subtitle: "The coffee auctions of the N.H.M." published in 1860. Multatuli, or in real life Eduard Douwes Dekker, was a former B.B.-official, assistant-Resident of Lebak, who had left the service after serious discord with his superior, the Resident of Bantam, Brest van Kempen. Max Havelaar, the dominating figure of the book, is a literary selfportrait and the story serves to give publicity to the wrongs suffered by him. The names of the localities in the first edition were on the advice of Jacob van Lennep not written in full: the names of persons were changed, as far as his opponents were concerned in a opprobrious way. Assistant-Resident Max Havelaar of Lebak is depicted as a noble character with a horror of all injustice who cannot see that the population is terrorized, bullied, and plundered by its chiefs. Considering it impossible that these abuses would be tolerated by the Dutch government, he acted vigorously against it. But soon he discovered that the government rather wanted to spare vested interests and could not support his drastic policy. Up till now we see no connection with the C.S. which is wrongly asserted not only by foreign writers (Furnivall, 40, p. 223) but also by Dutch authors (Mansvelt, 69, II, p. 288). We know already that in Bantam and certainly in Lebak the C.S. had not functioned. This can be inferred from the book itself. On p. 146 we read that the regent of Lebak, though high in rank, was poor and contrasted sadly with the rich regents of Bandong and Tjiandjur. The reason as explicitly mentioned was that Lebak was unfit for the coffee-culture. Alternating piecemeal with this story is another story in which Douwes Dekker, now living in a very small way in Holland, is pre-

sented as Sjaalman. Sjaalman tries to publish a book on N. India which he has written and suddenly meets an old schoolfellow, now a respectable pharisaic coffee-broker, the prototype of the Dutch "bourgeois satisfait" and therefore called "Batavus" Droogstoppel. This man is contrasted with the noble, dramatic Sjaalman and on the other side with the young impetuous and romantic young German Stern, son of an important customer in Hamburg, who learns the trade in Droogstoppel's firm. In this way a wonderful portrait of the Dutch bourgeois is given and, by his reactions on Sjaalman's manuscript also of his attitude towards the colonies. A heart-rending poem of an unhappy love written in Padang in 1843 is judged briefly like this: "all lies and nonsense. I will only say that it was written about 1843 in the neighbourhood of Padang, and that this is an inferior brand. The coffee I mean" (74, p. 31).

The question will be raised by the reader what the despotism of the native chiefs had to do with the coffee-auctions of the N.H.M. There is no mechanical nexus, of course. A German reviewer called it "ein Aushängeschild, das in Holland nötig schien um Käufer zu locken" (74, p. 398). Of the same opinion is Mansvelt (69, II, p. 288) who points out that in 1860 the problem of a reorganization of the auctions dominated discourses and publications of business life. Yet the connection is clear. It did not matter much what kind of abuses in the colonies were perpetrated; the Dutch bourgeois was only interested in revenues and the abuses were covered by a pharisaic veil. It is this bourgeois which he at last (p. 386) dismisses from the tableau with the flaming words. "Stop, miserable product of sordid avarice and blasphemous snivelling! I have created you. You have grown a monster by my pen. I am disgusted by my own creation. Choke in coffee and disappear!". Multatuli in a final outburst calls out: "there is a predatory State (roofstaat) between East Friesland and the Scheldt" (p. 389).

It may be inferred from Multatuli's dislike of the bourgeois that he was no friend of the parliamentary system and expected more of an enlightened monarchy. His criticism of parliamentarism is explicitly given in his note on pp. 393 ff. He refers also to the swift succession of cabinets. "Every cabinet comes with a new arcanum. The ministers intend to be written on the already overcharged pension sheet more years than the number of months spent in office", he complains (p. 394). Multatuli's book was written in a fervent style which broke with the artificial and rhetorical way, full of the false sentiment then prevailing (not in the last place with Jacob van Lennep!). The book found an enormous reception and has now been translated into most European

languages. It prepared the way for the new policy of private exploitation which was to supplant the tributary device of the C.S. It is doubtful whether this had the author's approval. We shall see how little private enterprise could really be called "free" enterprise.

CHAPTER XVIII

EXPLOITATION REPLACES TRIBUTATION

(1870)

Land legislation in Java and Madura (Gov.-territory): It was 1870 before there came a minister whose solution of the land-legislation problem was accepted by the parliament. This was minister De Waal. Curiously enough, De Waal succeeded because he evaded the point. His "Agrarian Law" consisted only of one article and announced that uncultivated land could be given out in "long lease" (erfpacht) and that the natives could let their land to entrepreneurs. He, however, carefully neglected to determine the conditions, rules etc. but left that to lower legislative organs. The "Agrarian Law" was approved of. The details were to be set forth in a Royal Decree (K.B.) called the "Agrarian Decree" of 1870 (Agrarisch Besluit). This decree evaded the point whether the natives were owners of the land. It simply reversed the position and said that all land on which others could not prove property-rights, belonged to the domain of the government. A division was now made between a "free domain" on which no rights whatever were exercised by others, and an "unfree domain" also called "landrente-areaal" on which others had rights though they were no property rights. The natives could have a hereditary right of possession at most. Yet these rights were quite respected as if they were property so that the government was not entitled to dispose of the unfree domain. As this would make the C.S. impossible, the Agrarian Law had already laid down that the G.G. could only dispose of the natives' land for the government's cultures (Art. 1, section 3). In spite of the general opinion, it was nowhere laid down that foreigners could not acquire native land. This had never been doubted on account of the jurisprudential views just expounded. It was not until in 1875, to make an end to all doubts, that the G.G. laid this rule down in an intentional decree. De Waal stipulated, that only those lands could be counted to the unfree domain which were permanently cultivated (Nolst, 77). It is too little noticed and stressed by jurists that this stipulation was directed against ladang-cultivation. Yet this had been explicitly expressed by De Waal in his ministerial dispatch of 25-VII-1870 to the G.G. It was not the intention to respect all customs and

usages as such. Ladang-culture was considered predatory. Moreover, it made the drawing of a clear division between the two domains impossible and the issue of long-lease parcels difficult. Important for the annual plain crops was art. 5 in which the G.G. was ordered to determine the conditions under which natives would be able to let their land to non-natives. As this difficult question had been delegated to the G.G., the second chapter about the transfer of land only applied to the issue in long lease of land out of the free-domain. The duration was fixed at 75 years (art. 9). Coffee-gardens, though belonging to the free domain could not be issued. Even extra land annex had to be reserved for its possible extention. That meant that the Coffee-culture of the government was retained. In his dispatch, De Waal recommended to exclude Chinese from the long-lease issue because of their notorious extortionate practices, this in spite of the fact that the danger was far less here than with private estates or the landleases of the Vorstenlanden.

De Waal vs. ladang-culture: Art. 9a gives a solution for the issue of long lease parcels in regions with a scattered population living as it were on islands enclosed by the forest. This, as Nolst (77) neglects to say, again refers to ladang regions. He who looks up the South Priangan in the "Landbouwstatistiekkaart van Java en Madura" in which the distinctions of legal status are represented, will see a mosaic of "landrent-area", free domain and long-lease parcels (see map No. 1). The landrent area only comprises the kampongs with its core of permanent fields. The ladang-sphere, however, is not recognized as native's land but is drawn to the free domain. It was often impossible to carve out a few parcels (normally 500 bouw = 350 ha) without including such an enclave. De Waal then recommended the entrepreneur to induce the kampung with money payments to cede their rights to the government which could then add it to the free domain and give it out in long-lease. Needless to say, that in this case, payment had to be made not only for the cession of their legal land-claims (landrent-area) but also for the un-occupied ladang-sphere. De Waal's attitude towards ladang-culture therefore was less harsh than is suggested by his dispatch which, however, did not tolerate the shift of the kampongs. New kampongs had to be destroyed by the police.

Cultivation ordinance: To regulate the issue of free domanial parcels for native agriculture, the G.G. was ordered to issue a Cultivation Ordinance (ontginnings-ordonnantie). This ordinance had also made the shifting of kampongs and even ladang-culture as such impossible.

It must be noted that the "Agrarian Decree" only concerned the government territory of Java and Madura. In the Outer Possessions where ladang-culture dominated these measures were sure to be unenforceable. But also in Bantam and South Priangan, the B.B. soon realized that it was impossible with normal humane means as provided in the N.I. land legislation to make the ladang people abandon their ways. The hopeless struggle of the B.B. in the 20th Century has been the object of J. F. Kool's work (60). The settlement of the question became urgent when the Java rubber-culture after 1910 had to find space in South Priangan.

Sugar-Law: Along with the Agrarian Law, the "Sugar Law" passed the parliament in 1870. It provided a gradual abolition of the C.S. for sugar in the course of 13 years beginning in 1878 so that in the year 1890 the C.S. in sugar would have ended.

Decisive legislation had still to be waited for from the G.G. The G.G. issued four ordinances. We need not describe the Landlease — (Erfpacht) Ordinance and the Cultivation — (Ontginnung) Ordinance more but shall go on with the ground-lease (Grondhuur) and the Factory (Fabrieks) Ordinances.

Ground-lease ordinance: The "grondhuur"-ordinance of 1871, amended in 1895, 1900 and 1918, made the lease of native land by entrepreneurs possible under conditions which aimed to protect the natives against the stronger party. As the transaction for the individual peasant or for the desah was often a means of getting a credit, the danger of usury¹⁹⁾ was great. And the longer the period of advance the more the native — with his strongly optimistic view of future commitments — would be likely to be exploited. On the other side, a source of credit would facilitate the payment of the landrent. The maximum period of advance payment of the rent fixed in 1900 was 15 months before the year of actual occupation of the land. As the fields were actually occupied in March or April this amounts to 18 months before occupation and 36 months before all the cane had been harvested. This meant that a sugar-entrepreneur must estimate the market demand three years in advance when he leased native land. Moreover, to prevent usury, ground-lease contracts could be concluded only with B.B. mediation. It will later be shown that the B.B. in the beginning, if necessary, exerted pressure on the natives to lease the sawahs to entrepreneurs. Contracts might be concluded only for an area covering

¹⁹⁾ Because the discount ratio applied tended to be determined more by the time preference of the natives than by the liquidity preference of the lender.

1/3 part of the sawahs at most. To restrict the consequences of a thoughtless decision, contracts were not to cover more than 3,5 years. This precludes a second harvest being brought in during the contract. Contrary to what is generally asserted no crop-rotation between rice and sugar was prescribed. This rotation necessarily followed from the last two conditions. For if on 1/3 part of the desah only one crop can be had in 3,5 years the next year's crop must be planted on the next third part. During some months 2/3 of the sawahs were occupied but in general we may say that the sugar completed its turn in three years and that Vf was 1/3. Every third part of the desah gave one sugar crop and two westmonsoon-rice crops in the course of three years.

In 1918, a 21,5 year contract was devised to give the entrepreneurs more certainty over the supply of land. It was not, however, a contract which gave complete certainty about the terms. No lease price was fixed for the whole period of 21,5 years but the B.B. was permitted to fix new prices when the prices for ground-lease between natives here called "field-lease" (veldhuur) changed. During the first six years of this contract, the land remained at the disposal of the entrepreneur but after that the native disposed of it during one westmonsoon in every three years. This last provision did not concern the sugar-culture as here even two Westmonsoons were automatically at the peasant's disposal. It did, however, concern the sisal-cassave-culture, which generally leased tegalans. For about 8,5 years, sisal was then planted after which a shorter crop, namely, cassava alternated with a native crop of one westmonsoon. The land was generally leased with such a phase-difference that sisal- and cassava-factories were permanently employed.

Factory-ordinance: The factory-ordinance of 1899 practically concerned the sugar-culture only. The creation of plantations dependent on ground-lease ("Pachtplantagen" in the terminology of Waibel) was subject to the approval of the head of the Department of Internal Affairs, the Director B.B. Moreover, after the approval of a definite location had been acquired, the factory still needed a "Cultivation licence" (Aanplantvergunning) from the same authority for the extent of the yearly lease of native land. In giving these permits, the B.B. had to consider the interests of the population in the widest sense. We see again, in this case, how wide the discretionary power of the B.B. was.

The entrepreneurs' need of certainty about the land disposal which was in 1918 recognized by the G.G. shows that eventually private sugar-culture lost that grip on the peasantry which she had in-

herited from the government. This raises the question how the private sugar-culture acquired land and labour at all. But before we deal with this question we must give our attention to the development of population, a determining factor of the labour supply.

Population and labour supply: Java, two thirds of the surface of which is now cultivated and inhabited by some 50 ml. people had only 4.4 ml. people in 1814 and an average density of population of 33.9 persons per km². The frequent and destructive Javanese wars had kept the population constant up to about 1800. When the colonial administration of the Dutch provided internal peace and control of epidemics, especially pox, the population quickly grew to the tenfold of 1814 in 1930, namely 40.8 ml. and an average density of 308.2 people per sq. km. (v. Gelderen, 41). Even in 1870 only a third of Java was cultivated. It is probably true that during the C.S. people were indisposed for new cultivations as that would only spread the population over a greater surface and make the compulsory services per head heavier. The shares in the common desah land decreased and were on the average smaller than half a bouw. It seems that the great expansion of arable land began in 1875 and that its surface in 1885 was double that of 1855 (Burger, 24, p. 210). Absolute figures are however not given. During the C.S. the government wanted to encourage new cultivations and thus awarded some years freedom from land-rent and Culture Service. The only people who availed themselves of it however were peasants who had reverted to shifting cultivation and made another new cultivation as soon as the tax freedom of the old cultivation had lapsed. The government then forbade new cultivation where there still was sufficient arable soil (v. Soest, 92, I, p. 146). Many people did not become even squatters but were vagrants who offered themselves for work at harvest time. They spent their money on gambling and prostitutes (Burger, 24, p. 139). According to v. Gelderen (41), there was a spread of the population over the island which lasted till 1890. From 1890, every increase of population must express itself in the density and could only be kept alive by intensification of agriculture. It is understandable that in the period that new settlements were so easy (1870 : 1890) private entrepreneurs could not find really free labourers. It is, however, well known, that there comes a point where further addition of labour on the same surface of land gives absolutely declining harvests. Generally this point is reached before the average return has reached the starvation level. An agricultural excess population then depends on its relatives. If these people had had skill, energy and initiative, they could have formed an

industrial superstructure but this was not the case. As soon as therefore such excess-population (and in the desah they were personally known) existed, that is according to v. Gelderen (41) after 1890, a labour supply for plantations ensued in spite of Javanese communal psychology, which considered work on the command of the sovereign as honorable but voluntary work for wages as disgraceful (Burger, 24, p. 107).

Labour-supply of mountain-cultures: The soil-shareholders and the village-chief (jurah) could easily compel the hangers-on to go to work on the plantation. They were then still more or less retained in the desah community where they returned when they had earned some money. They went again to the plantation when they felt that their time had come. The mountain-cultures of tea and coffee especially provided agreeable work practically the whole year through. Here the native workers were still called coolies but they were more or less gardeners, often known and respected by the white planters. In sugar-culture, especially in the time of the sugar-campaign, however, the coolie was a real nobody, a nameless nonentity. There was nothing noble nor elevating in the relation between him and the entrepreneurs. Gradually, the pressure of population on the one side, the personality of the Java-mountain-planter, and the agreeable work on the other hand created a local and regional labour supply. These people were as a rule not directly employed by the plantation but more or less contracted with a native overseer (mandur = mandador) personally. The mandurs were the connecting link between the Javanese or Sundanese workers and the white planters. So people of different races with quite different emotional attitudes were isolated to a great extent from direct contacts with each other. From the surrounding kampongs came the women who after sunrise picked tea with their nimble fingers, going home after an hour to do their daily work. From the same kampongs and from kampongs farther away but still belonging to the region came the coolies who were sheltered in the plantation kampongs, going home for some time when they had enough money so as to return without shame. This was the local-regional labour supply of the mountain-plantations, which gradually developed. Conditions seem different and less favorable in the plains cultures of sugar and tobacco and still less so in the plantation regions which had sprung up in Sumatra.

Land and labour supply of the sugar-entrepreneurs: Already in the time of the sugar-contractors, the entrepreneurs had become acquainted

with the character of the labour supply. The government, which gave them loans free of interest, could not leave them in the lurch with the labour supply for the factory. So the government, in this case the village chief (lurah), simply sent a number of people to work in the factory, against payment, of course. Later, from 1860 until 1870, free labour had normally to be employed in transport and factory. Government compulsion was of a supplementary character and exerted only if the entrepreneurs could not get enough labourers in their way. After 1870, B.B. withdrew its help. One method of the entrepreneurs was recruiting under the temptation of advances. From 1872, the native who had enlisted could be forced to work out his contract by the police. This police regulation was abolished in 1879 at the suggestion of the Parliament. Other methods were then intensified, especially as since 1878 also field coolies were required.

The lurah's assistance was generally bought with a percentage, a piece-rate per coolie or just by bribes. The lurah had a very great authority especially in communal desahs with periodic redistributions. The periodicity of the redistributions from 1863 had been adjusted to the sugar-culture: i.e. every year that third part from which the cane had already been harvested was divided by him. Less influential was the lurah where the system of fixed shares had been adopted or even the individualistic constitution. The lurah often made labour contracts for the desah as a whole and paid out the wages. He also supervised the labour for which he received 5 to 20 gld. per bouw.

The entrepreneurs also enticed labourers by allocating opium and alcoholics to the factory-workers. Still another method was to hire notorious bullies and rascals to exert a terror on the desah folk (Burger, 24, pp. 171/180) (Tjoeng, 97, p. 39).

The attitude of the earlier entrepreneurs has been sharply characterized by v. Soest. The sugar-contractors from the very start resisted every form of labour liberation bitterly, though they earned hundreds of thousands themselves. They would have put the Javanese themselves in the mill if sugar could be pressed out of them (92, III, p. 136).

The difficulties of the entrepreneurs in the old sugar regions of the C.S. were not so very great. The gradual transition during which the B.B. still gave its help to the entrepreneurs made change hardly noticeable to the population. They retained their communal constitution with periodic redistribution till the very last. In the residency of Surabaja, even in 1932, 68% of the sawahs were of this type. They formed practically 100% of the sawahs round Modjokerto in the valley of the Brantas (Boeke, 19, I, p. 66). There were no shocking events and the population went on in the same humdrum way which

was encouraged by the entrepreneurs and lurahs. And with reason. The individual contracts prescribed in the "grondhuur"-ordinances did not apply to desahs of this constitution. Here the sugar factory could get big closed surfaces to plant the cane. And the lurah saw to the labour supply. In many desahs there not only was a yearly distribution of that third part which had just been cleared of sugar but there also were changing shares i.e. not all people got a share but only those whose turn it was, while others who had had their turn got nothing and must work for the entrepreneur. This made things still easier. The difficulties began where, under the guidance of the B.B., the desahs had assumed the individualistic constitution. Land had then to be leased from individuals. It was impossible to get the closed surface which was so easy for the entrepreneurs of the old C.S. regions or of the Vorstenlanden. Isolated patches often lay scattered over a considerable space and the costs of rails for the Decauville-trains were high. Employees had to hasten from one patch to the other. Supervision was difficult. Often the patches of neighbouring factories mingled, but, after 1899, under the influence of the B.B., each factory had its own area. It is therefore understandable that especially here every means was used to acquire suitable fields of greater size. In all these schemes, the lurahs played an important role. As soon, however, as an individual peasant had accepted the advance money and leased his land the entrepreneur could be sure to see him offer his labour also. By the time the sawah had to be given over to the entrepreneur, the money had been spent and as one rice-crop was skipped he stood there without money nor rice.

Of course, this labour supply did not quite suffice. Others must be employed especially for the harvest. In East Java, Madurese coolies came from their poor island to the rich alluvial plains. But in a sugar factory in Pekalongan ca 1913, according to Burger (24, p. 184), about half of the labourers were owners of land leased by the entrepreneur. We see, therefore, that the labour supply in the sugar-culture was practically independent of the growth of population and its density and could have been taken over much earlier by entrepreneurs.

The government, from 1890, intensified her action against the dubious dealings of the lurahs. The government now assumed a patriarchal and benevolent attitude towards the natives and protected them against the entrepreneurs and the lurahs. This difference became very serious when Leyden became the stronghold of the "ethical" direction under Van Vollenhoven. The entrepreneurs collected funds and established an indological faculty in Utrecht where B.B. aspirants could freely choose to be trained (1924). Returning to our subject

however, it seems that in 1894 only one sixth of the sugar soil was really let by the individual possessors. 2/9 of the soil was rightly leased from the (communal) desahs, the rest from groups of peasants whose lands formed a closed area and who were certainly organized by the lurah. In 1898, the resident of Banjumas declared individual lease of land a fiction. In 1904, it was again certified that the lurah decided the deliberations in the desah. In 1921, the Sugar-Enquête-Committee reported that legal uncertainty and injustice still flourished in the desah (Burger, 24, pp. 194/9, 225).

Java tobacco-culture: There are two centres of tobacco-culture on Java. We have already dealt with the Vorstenlanden. The free tobacco-culture of Besuki, however, needs some further analysis. We have seen that the entrepreneurs partly leased the land for their tobacco crop (since 1884) and partly bought up the dried native leave (krossok) for further preparation and export. The lease of land here, however, did not automatically create a labour supply because tobacco is an east-monsoon-crop and no rice harvest is therefore missed by the peasant. Having rice in his barn as usual, he is very difficult to deal with. Therefore, he is generally allowed to work his own land. But a really scientific cultivation demands a more authoritative position for the entrepreneur. Besuki tobacco therefore was not equal to that of the Vorstenlanden or Deli. The lease of land was intentionally begun to raise the quality and, in this, success was gained. But the whole difference could not be wiped out. The entrepreneurs in 1907 reached the socalled Rotterdam-agreement in which each was allocated his own sphere for buying up leaf and leasing land. The ground-lease conditions were made uniform. In 1908 the government put a brake on the access of new entrepreneurs by making licences for planting, buying and the building of sheds necessary. In 1912 the entrepreneurs eliminated competition in buying. Also a tobacco police was organized by the Government but paid by the entrepreneurs, to prevent that tobacco from the leased lands would be sold by the native lessor. A system of transportation-licences was evolved and certain market places prescribed. In 1935, the government determined closed regions for every entrepreneur. Competition was now practically eliminated and the number of shed-fires correspondingly decreased (49, IIb, p. 494). In 1938, the government founded a "Krossok-Centrale" which inspected the quality of the exported tobacco (49, IIb, p. 487 ff). This was necessary in order to preserve a good reputation on the market as the many anonymous native producers of dried leaf had an advantage in delivering bad quality and hiding behind their anonymity. We see

that the entrepreneurs had practically formed a cartel to the detriment of the native peasants.

The Outer Possessions: The C.S. was essentially a Java-system and the private plantations on Java did not distinguish themselves much from the C.S. in their methods. Quite different was the Sumatra-type of plantation which had developed since 1860 in Deli. The land was easily supplied in the form of the socalled "concessions". In these enormous forest territories there was at first only a thin living population. There was room enough for entrepreneur and natives but a labor supply did not come forth from the kampong. Chinese labourers had therefore to be recruited in Malaya and later in Macao, which involved heavy initial costs. The recruiting agent, the transport, the advances had all to be paid in advance. The plantation companies had, therefore, every reason to insist on actual enforcement of the contract. Now this was difficult as the clever Chinese, once acquainted in Deli could earn more in free business. The difference in income, as far as it exceeded the initial costs, could rightly be called the exploitation margin of the entrepreneurs. To preserve this difference and still keep the labourers, force had to be applied. The coolies were practically prisoners on the plantation. When they fled, they were arrested by the police and delivered to the entrepreneur. This police-regulation, in fact, amounted to a penal sanction on the compliance to a civil contract. According to Western jurisprudence, only a civil sanction was permitted here: i.e. in case of a breach of contract the coolie might only be sentenced to pay the initial costs plus damages to the employer as J. Kalma points out (56). Now it is generally asserted that this could not be adhered to because the repayment of the damage could never be enforced. This, however, is untrue. The police could generally find deserters soon enough: why then could the repayment not be controlled by having the new employer deduct it regularly from the wage? We remind the reader of the fact that in 18th Century Batavia plenty of slaves were running businesses (prostitution not excluded) and were engaged for wages from which they had periodically to pay the apophora to their masters. The same conditions were found in Russia until 1863 where many serfs went far away to town to earn the "obrok" for their lords. An arrangement like that of the American Emigrant Company of 1864 which imported labourers into the U.S.A. against a lien on their wages (Dulles, 35a, p. 96) would not have been impossible to enforce in Sumatra. We must therefore, conclude that the theory that penal sanction (p.s.) was strictly necessary to recover the initial outlay, as put forth by the entrepreneurs, was an

"Interessenten-theorie" (Eucken, 37). The truth was that without the p.s. the plantation companies would have to employ each other's runaways or maybe even reemploy their own coolies at a higher wage. The wage increase would not only have to make up the money difference with other wages but also to compensate the hardships of jungle pioneering. The government let itself be persuaded by the entrepreneur's theory, for when in 1879 the p.s. on labour contracts was forbidden at the behest of Parliament, it was carried out in Java but replaced by a special Coolie-Ordinance for the Outer Possessions with p.s. in 1880. Maybe the Government considered that she herself did not want to give up the p.s. in the Banka tin mines where she also used Chinese contract-coolies. This Coolie-Ordinance applied only to the province Sumatra's East Coast (S.O.K.) where Deli was situated. Later when plantations developed in other Residencies of the Outer'Possessions it was introduced also there.

The Coolie-Ordinance stipulated that coolies might leave the plantation only on a written leave-permit from the employer. The employers were entitled to have a plantation police force with powers to arrest, which would assist the scant government police. The "landrechter" (judge) sentenced deserters after arrest and also those who were guilty of sabotage, strike-agitation, bad work (Tjoeng 97, p. 78). Several circumstances, however, induced the government to follow a milder policy. From 1885, Javanese coolies came on contract to Deli. The spread of population over the island neared its end and the same force which created a local-regional labour-supply on the Java plantations created a migratory labour supply for Sumatra. Of course, this last flow of coolies was much smaller and consisted of people who were ignorant enough to be enticed by native recruiting agents and others who were persons of doubtful character, reprobates in their desah. There were also those who by sheer poverty could not afford the expenses of social convention and had so lost face. Now the government became more active. Interests of the Javanese were watched by the government with a patriarchal eye, while the Chinese were only "foreign Asiatics" and considered clever enough to look after themselves. In 1889, the coolies were entitled to bring their families with them. Abuses, maltreatments etc about which there were rumours were proved to be really rampant by the Medan lawyer J. v. d. Brand who published his results in a pamphlet (1902). Now the government's labour inspection sent an inspector to Medan, who has, especially since the domination of the "ethici" in the B.B., been in a standing quarrel with the planters. After the pioneering stage had passed, labour conditions improved but after the first world war, a new large scale

attack on the jungle of the neighbouring Sultanates of Langkat and Serdang was made to find space for rubber plantations. The respective sultans who had long envied the regular and irregular incomes of the sultans of Deli now got their turn and leased out what they could. It was also on account of the continued pioneering stage that the government was very careful in abolishing the p.s. On the other hand, Javanese coolies had increased so much that it watched the conditions closely. The Chinese, though better and harder workers, were less docile, especially after the Chinese revolution of 1911. They were always plotting and conspiring. Moreover, they were so full of initiative that it was more difficult to bind them to a contract than the more docile and less intelligent Javanese. In 1929 there were 235.000 Javanese and 26.000 Chinese contract coolies and 30.000 Javanese and 782 Chinese free labourers. In 1939, the Chinese had practically disappeared. (Kantoor van Arbeid, 9). The increasing pressure of population on Java is very well indicated by these figures, the more so as the Javanese cling greatly to their home-desah.

The enormous extension of the plantations in S.O.K. and the gradual increase of population had made land more scarce than at the outset and a growing local labour supply had developed, at first only for the cutting and burning of the jungle, in which the roving natives were expert, but later also for regular work on the oilpalm and rubber plantations. This is the agreeable side of the development. Less agreeable was the clash which now ensued about the division of the reserve land of the concession between entrepreneur and population. Here also the ladang-cultivation made the drawing of clear boundaries difficult. Perennial plants like oilpalm and rubber put a kind of stop to the occupation of land by the natives. An annual crop, like tobacco was always less of an obstacle to native occupation. Moreover, tobacco in Deli was also cultivated in the ladang-way. Tobacco-fields were left to recuperate for seven or eight years before a new crop was planted in the same place. In the meantime, secondary forest grew up which must again be cut and burnt. The disappearance of primeval-forest-soils showed itself in a lighter colour of the leaf. Happily, the fashion in the U.S.A. changed correspondingly to brighter leaf. The ladang-tobacco system in the absence of really reliable manures was of great importance to Deli. But that means that the plantation must have, at its disposal, eight times the maximum annual surface estimated to cover the future needs of the market. The tobacco plantations especially were therefore seriously threatened by the increase of population and the lack of a clear criterion in the concession-contracts for

the division of the land. We shall later see that this danger increased when the ethical direction of Leyden dominated the B.B.

Up till now we have neglected the other Outer Possessions. The reason is that plantations preferred the S.O.K. where the external economies like telephone, telegraph, roads, railroads, stations and harbour (with bulkhandling facilities for palmoil) were already present. The cocos-plantations of the Moluccas worked with long-lease-land and with Javanese labour imported according to the Coolie-Ordinance. It was only in 1925 that tea-culture in the mountainland of Sumatra's West Coast (S.W.K.) made it necessary to regulate the issue of land in long-lease by socalled "Agrarian Regulation" promulgated by the Resident.

The end of the C.S.: Sugar and coffee were the main constituents of the C.S. crop. Tea, being a quality product, was already abandoned in 1834, it having a peculiar burnt taste. Indigo also was too much a quality product. It never gave profits. It was cultivated partly on sawahs and did not fit well in a rotation with rice. Indigo was notorious as a soil destroyer and its cultivation brought many hardships for the natives. It was maintained because of better expectations for the future and because it was needed to give the Amsterdam auctions a complete assortment. G.G. Rochussen (1845 : '51) though he considered the C.S. indispensable to the motherland, yet abolished its cultivation on poorer soils, that is, in the whole Priangan. In 1866 it was quite abolished. In 1861, the unimportant Government's cultures of pepper and cinnamon were abolished. Sugar cultivation was gradually taken over by the owners of the factories, the contractors, after 1878. About coffee cultivation, nothing had been said in the R.R. 1854 or 1870. It was continued as usual because in 1870 the density of population was insufficient and the labour supply too unreliable to entrust it to private entrepreneurs. It remained a government-culture until 1922 but had lost much of its importance after 1880. In 1846 one million picol was produced. Then a stationary position was maintained till about 1880 after which a rapid decline was caused by plant diseases (*Hemileia vastatrix*) which damaged especially the government gardens. The plantations with their careful European supervision maintained themselves better. The plantations went over from Arabica to Liberia and in 1901 to Robusta. Yet with the advent of rubber, many planters changed coffee for rubber, had a mixed crop or used coffee for catch-crop only. The competition of Brazil, severe as early as 1830 could no longer be withstood in 1900. The government produce sank from 1 ml. picol in 1846 to 450.000 picol after 1885 and 200.000 picol in

1900. The government also gradually diminished compulsion (49, IIb, p. 11). The Government's coffee-culture, as well as the sugar-culture, in its milder form became really beneficial to the population. Money was brought into the desah, and prosperity, evinced in the form of textiles and other articles of trade, visibly increased. Yet, the population of Java had acquired such a dislike of coffee that, according to Paerels (49, IIb, p. 95) the gardens were converted in sawahs and tegallans. Maassen en Hens (66), however report that the government consented to the coffee gardens being given out to the natives only if they were willing to continue coffee-cultivation. Otherwise they were to be given in longlease to entrepreneurs. The entrepreneurs were not compelled to continue coffee-cultivation as they would grow a money-crop anyhow. The government, by imposing this condition on the natives, wanted to facilitate the payment of the landrent. It must, however, have considered that the competition of Brasil made coffee less suitable as a money-crop. As soon as the government was no more there to buy the produce at fixed prices, another crop had to be found for the population. In Pekalongan the coffee-gardens were issued to the natives to grow tea. In the Priangan where coffee had been the dominant crop, the contrôleur A. F. Velders on his own initiative began a "Culture System" for tea but now for the benefit of the desah. The desahs, urged by him, planted tea-gardens with desah-services (compulsory services of the peasant for the own village for irrigation etc.) The authorities of course had to reprimand him but the scheme worked well to provide money to the villagers, who could now pay the landrent without selling part of their food harvest. The mediation of the contrôleur was necessary to put the inert population into motion and, moreover, to assure that the leaves would be bought by the tea-factories (49, IIb, p. 247). In fact, the tea plantations had themselves begun to induce the natives to grow tea for them. This was because the B.B., considering the growth of population, declined to issue more land to entrepreneurs. The growth of population which had solved the labour problem for the tea plantations in the long run made land scarce even higher up the slopes of the mountains. At first, the plantations in this way hoped to keep their factory fully employed without longterm investments in gardens and so to stand stronger in face of a possible business depression. In the Priangan, many coffee gardens were leased to tea plantations or given out for the same purpose of conversion to the natives. The government even supplied cheap seeds and instructors to acquaint the people with tea-growing. In lower altitudes, coffee had to be replaced by foodstuffs as tea requires a higher location. In eastern Java, there were, however, crops like sugar

which could be raised in the lower coffee gardens. Especially because the lease of land from natives in non-communal desahs was such a difficult affair the lowland plantations gladly availed themselves of it. The H.V.A., a big plantation-concern has been able to supply three sisal-cassava plantations with long-lease land acquired from the abolition of coffee-gardens in Kediri. Later, sisal was transferred to enormous plantations in S.O.K., and the long-lease land dedicated to sugar cultivation.

Though not strictly belonging to the C.S. we will not close this section without sketching the end of the governments-monopoly in the Moluccas of nutmegs, mace, and cloves. The owners of the "perken" in which the Banda Islands had been divided in 1622 (69 "perken"), the socalled "perkeniers", were initially European servants of the V.O.C. As they mixed with native women, the "perkeniers" were later of Eurasian stock. This is important economically because these people — as also evinced by the owners of private estates — had very little business initiative. This to be sure is ethically a very commendable trait. They were generally more hospitable, friendly, and accessible to feelings of honour than the pure Dutchmen. However, the fact is there. The perkeniers lived as patriarchs content with their subservient state towards the V.O.C. c.q. the government. So long as they could maintain their social position, they were content. The gradual decline in importance of spices from 1693 they suffered with resignation. In 1824 the hongi-expeditions were abolished. The prescription of location of nutmegs in Banda and cloves in Ambon were no more enforced. An expansion of crops throughout the Moluccas became possible. Spice trade, however, declined further in the 19th Century also owing to competition from Penang and Singapore. The government suffered losses and wanted to terminate her spice-dealings. This would, however, be a catastrophe to the perkeniers. The government system had become a benevolence just as the maintenance of the coffee-culture-system was for the natives. In view of the age long faithful service to V.O.C. and Government, the perkeniers were allowed a postponement until 1873. After that, no rice, nor convict labourers were to be sent. The perkeniers then tried to employ local free labourers, but these were lazy and arrogant so that Javanese contract-coolies had to be imported. The cloves-culture of Ambon and Uliasser Islands had now to rely on the purchases of private dealers. That the spice cultures of the Moluccas did not succumb was attributable to a wholly unexpected event, which had taken place in the meantime: the elimination of the Rafflesian competitors of Penang and Singapore by plant diseases. The perkeniers expanded by acquiring long lease parcels on

the fourth of the Banda islands, Run, which had been acquired in 1667 from the English. The natives expanded by acquiring cultivation-permits from the B.B. generally pro deo (Hermans, 50).

Revenues from the C.S.: How much did the Netherlands draw from the East Indies by means of the C.S. and similar contemporaneous forced cultures? The question became burning when moral values woke up the conscience of the motherland. But this was only very late. In 1867, the Parliament won its decisive battle with the monarchy, which now became purely constitutional. From 1839, as we know, the use of the colonial surplus had been decided by Parliament. From 1848, Parliament could have abolished forced cultures. In 1867, the N. I. budget was made subject to approval of the Dutch Parliament. These facts warn us to paint the King's colonial government as extortionate and oppressive and to praise the liberal Parliamentary colonial policy as humane, yes, even philanthropic. When, in 1870, Minister de Waal proposed to spend the colonial surplus on public works in the colonies, like railroads, bridges, irrigation projects, the proposal was repudiated. Unforeseen events, however, made the colonial surpluses dwindle. In 1873 the Atjeh War, which cost 150 ml. guilders only in the period 1873 : 1884, broke out. England's interest in stamping out Achinese piracy in the Straits of Malacca had grown since the opening of the Suez canal and since steamships made the Straits a busy thoroughfare. The Dutch got a free hand against Atjeh. The war was very difficult in view of the fierce guerilla-tactics. Only at the end of the 19th Century when General van Heutsz used small hardy patrols, even harder and more reckless than the Achinese groups, was the country more or less pacified. The enormous unexpected costs of this war put an end to the surplus as early as 1875. The budget of 1875 for the last time supplied funds for the port of Tandjong Priok, N.I. State railroads and 5 million guilders for the fortification of the frontiers of the Netherlands (Stapel, 96, p. 273). In general, the surpluses transferred to the Dutch budget were derived from the sales of produce by the N.H.M. (Map No. 8). This changed after the Atjeh war. The products continued to be auctioned in Holland but the revenue was not transferred to the Dutch budget. It served to pay the Atjeh-war. Indeed, this can be called a Dutch interest but the fact remained that no such transfer took place. To return to our point, every historian must concede that the ethical view of colonial policy remained embryonic even in the Parliament. Baron van Höevell's voice was that of a prophet crying in the wilderness (Stapel, 96, p. 269). So unfamiliar was this view of the question that

C. Th. v. Deventer aroused public opinion with an article in a leading literary periodical "De Gids" in 1899. The title of the article was "Een Eereschuld" (A Debt of Honour). The surplusses enjoyed till 1867 he considered justified by the difficulties of the Home Treasury, but the balances transferred after Parliament had gained complete control in that year, should be returned. These he estimated as amounting to f 187 ml. He proposed to take over the service of f 120 ml. of the N.I. government's debt and to spend f 67 ml. on public works in the colonies. Stapel estimates the revenues to the Dutch Treasury during the whole period of the C.S. on 800-900 ml. guilders (96, p. 301). The importance, however, of the C.S. has been much greater. That is why N. P. v. d. Berg wants to add the amounts which the Javanese had to pay in the form of higher prices for textiles in favour of Twente. He estimated this at 40 ml. guilders. Instead of an export-premium paid out of the Dutch tax-revenue, as proposed by the Batavian Chamber of Commerce in 1864 (16, p. 308/312), Javanese money had to instill life in Ankersmit's and Blijdenstein's textile-industry. Now, of course the merit of having made the development of Twente possible cannot be evaluated as being worth some 40 ml. guilders. And neither can the service to the Netherlands be measured in the amount of interbudgetary transfers. The protracted and difficult awakening of Dutch industry, shipping and colonial large scale agriculture was worth far more. Numerous imponderabilia enter the judgement.

The C.S. helped the Netherlands in many various ways to get through the period 1816 : 1870. It opened new sources of national income and revenue. Backward Holland, averse of technical progress, was buttressed until its agricultural isolation became an advantage comparable to that of a farmer amidst goldminers. The productive resources had found new uses. It is true that when protection, whether openly or in disguise, was terminated, Twente saw that it had still to learn the trade from the neighbours, but the capital had been formed and the possibilities had been proved to be present. The spirit had been awakened.

The new plantation "industry" must be seen as the natural continuation of a development which was started by v. d. Bosch and King William the First. Without the C.S., all the King's exertions to animate the economic life of the Northern Netherlands would have been fruitless.

CHAPTER XIX

THE N.H.M. ON ITS OWN FEET

Government support gradually terminated: The years 1839 and 1848 had been critical for the N.H.M. but each time the crisis was passed well. There was a distinct anti liberal feeling among the N.H.M. directors, who considered the maintenance of an uncurtailed monarchy, especially in the colonies, as of vital significance for the success of the N.H.M. The feeling among liberals against the N.H.M. was unfriendly as well but yet the N.H.M. went on to flourish even under Parliamentary colonial rule. After 1848, the profits became so high that the N.H.M. did not know what to do with its funds (69, II, p. 258). Yet by and by, the typical liberal policy must express itself, step by step. According to the consignment contract of 1853, the N.H.M. had the monopoly of government consignments to the Netherlands till 1874. But in 1854 already 200.000 picol Government coffee were sold in the Indies. In Batavia, the N.H.M. had to compete with others in the purchase.

Private sugar from the Vorstenlanden was preferably sold in Batavia. In 1857, the government, responsive to liberal pressure, sold 60.000 picols of government's sugar in Batavia. In 1861 this amount, at the wish of the Parliament, was increased to 200.000 picol. From 1870, the sugar contractors sold the sugar themselves but paid a percentage to the government. In 1873, the differential export duties on sugar were abolished. The last government sugar was shipped to Holland in 1873. Greater government consignments of tin were a small compensation. English houses resumed an important position in the export of sugar to London. When the English market was conquered by beetsugar direct export took place again from Batavia to India, China, Japan (69, II, p. 310/11). In Batavia the N.H.M. had to compete with others but, thanks to its great capital, it could tie many sugar-manufacturers by extending credits to them.

The independent export of the cotton manufacturers increased already in the 1840's. More efficient manufacturers used the profits of the high philanthropic prices of Willem de Clercq to risk possible losses in independent export. It became, therefore, more difficult for the N.H.M. to sell the goods which she had purchased from the same producers. The N.H.M. retaliated. The last fixed order was given

on December 2, 1848. In 1858 B. W. Blijdenstein erected the "Twentsche Bankvereeniging" with the aim of supplying credit to the manufacturers who would rather sell or consign to Batavian importers than to the N.H.M. (69, II, p. 272). From 1866 : 1874, the differential import duties in the colonies were autonomously abolished. They were 6 % ad valorem without any discrimination in 1874.

The N.H.M. changed directors several times to adjust itself to the new conditions. At last one of the members of its board, H. Muller Sr., persuaded the Directors to restrict themselves to banking and not to use their capital to buy produce. The order was passed on to the Factory in 1882. When in 1884 the sugar crisis broke out most of the socalled culture banks became involved. The N.H.M. had timely withdrawn.

The sugar crisis: The sugar crisis on Java of 1884 was foreshadowed by the growing competition of protected European beet-sugar. Even the Netherlands protected her beet-sugar-industry because the mass-imports of cheap American wheat in the 1870's had necessitated a shift to another crop, as valuable as wheat and having the same soil-requirements. Unhappily for Java, the higher technical level of Europe was apparent in a far superior product. Java's sugar factories had to be brought up to date.

Moreover, in 1884 the "sereh"-sickness ravaged the sugar fields of Java. It was clear that scientific methods were also needed in cultivation. Once these two requirements had been fulfilled Java sugar would again be able to compete. This gave the Dutch Banks and also the unscathed N.H.M. and the public confidence in an issuance of 6 % bonds in the name of a new financing corporation (Liefmann: Finanzierungsgesellschaft). The emission succeeded and the distressed Culture Banks each got a share to restore their liquidity. The N.I. Handelsbank f 9 ml., the Koloniale Bank f 5 ml., the "Internatio" f 2,5 ml., the H.V.A. f 1,5 ml. and the Dorrepaal's Bank of the Vorstenlanden f 7 ml. (v. d. Mandere, 68).

The N.H.M. as a bank: The N.H.M. as a bank earned a reputation. She opened branch banks in the important ports of Asia, Singapore, Rangoon (1899), Shanghai (1903) and Hongkong (1923). The bank turn-over increased from 21 ml. guilders in 1881 to 2.3 billion in 1925. In 1903 branches were also opened in Holland, generally in those places like The Hague, Het Gooi where repatriated people settled. These had often banked with the N.H.M. in the Indies and could now continue to do so in Holland (69, II, pp. 415 ff). This is what

Mansvelt tells us in his careful study, published in 1925 at the centennial of the N.H.M., a book completely honest in spite of it having been written on the request of this firm. Valuable source material from the extensive archives has been dug up by Mansvelt in this two volume study. What happened after 1924, could, however, not be recorded by him. The N.H.M., by opening branches in Holland, could arrange many capital-transfers for her repatriated clients without losing anything in the way of cash. Moreover, the clients who had earned much money in sugar or rubber plantations in the boom years could easily be induced to change their deposits into N.H.M. shares. But they forgot that the N.H.M. was still partly a Culture Bank. In 1884, they had fared well. The purchase of produce and therewith the preceding credits had been stopped while the Factory on its own initiative had called in the credits of many less sound debtors even as early as 1882. But when the great crisis of 1929 initiated an unprecedented depression, the N.H.M. was deeply involved. Soothing declarations were given to the shareholders; yet all at once the shares were reduced to the fourth or their nominal value. The abnormal profits during the war (until the unrestricted U-boat-war) and after had smitten the people with blindness. In figure 8, the relation between the N.H.M. and government can be seen to grow weaker and weaker. In 1870, it came only from coffee and tin. Coffee as shown in figure 7 was fastly declining. The N.H.M. after having floated inactively on the flow of government-forced produce until 1870 became awake. Yet it would not stand firmly on its own feet until 1890 as map 8 shows.

CHAPTER XX

ETHICAL GOVERNMENT VERSUS EXPLOITATION

Liberalist and ethic colonial policy: Liberalism and the ethical direction were not identical in Dutch colonial policy. This has become clear from our previous chapters. In actual political and social life, there are never absolute contrasts between groups. Every group has something in common with and something in contrast to each other group. Were this not the case, then there could only be two groups contrasting in every respect. But reality is different. The ethical opposition against the C.S. was not identical with the liberal opposition and when liberalist economic policy had triumphed in the colonies, the ethical men, now stronger and more numerous than before rallied to arms. The ethical direction was full of respect and appreciation for the native and for native civilization in its various forms as it had grown in history. But liberalism, in spite of what it may mean literally, was not tolerant, nor full of reverence for subtle traditions. The Classical economists and also the Physiocrats, the Churchfathers of liberalism, had stubbornly clung to a hypothetical "natural" social order from which they deducted quasi-automatic and exact laws. They had propounded a dogmatic economic policy which aimed at transforming all concrete social orders till they resembled as close as possible the "natural" prototype (Eucken, 37, p. 31).

We can see this attitude in De Waal's legislation of 1870. No ladang-cultivation, however old, unique, and interesting, could find grace in his eyes. The ladang rights on the land were not recognized. New kampongs were to be pulled down by the police. A clearly defined store of land must be made available for long-lease-issues to plantations. Old rights to collecting and hunting were disregarded. But this was not in accordance to the ethical views. All rights on the land for ladang cultivation, collection- and hunting and other occasional pursuits had to be respected. This was the extreme view which developed after 1900 under the influence of Van Vollenhoven, Professor of Adat-law in the Indological Faculty of the University of Leyden, where all aspirant B.B.-officials received their higher education. The B.B. was soon greatly influenced by him. How important this was, we have already seen when treating of De Waal's legislation of 1870. The last stages of legislation were there entrusted to the

G.G.: i.e. the G.G. and the India Council, in which high B.B.-officials, natives and Europeans, dominated. Also in enforcing legislation, great influence was left to the B.B.: e.g. in the Outer Possessions it was impossible to disregard ladang cultivation and, therefore, also impossible to prescribe how long-lease parcels had to be carved out. From case to case, the B.B. had to decide. In the Sultanates of S.O.K., the land division problem was unsolved by the "Concession" form of land issue. In government's territory, Sumatra's West Coast (S.W.K.), the Resident even was legislator of the "Agrarian Regulations" of 1915 and yet no exact rules could be laid down. Practically the B.B. made out whether and where land for long-lease issues was available. Already in 1895 an important B.B.-official had proclaimed the determination of the B.B. to protect the native not only against his own chieftains but also against the entrepreneur (Burger, 24, p. 208). This might have been the old patriarchal attitude of the government, for this official, B. Schrieke, together with his brother J. J. Schrieke, was later the chief adviser of G. G. de Jonge (1930 : 1936), whose government was patriarchal but decidedly not „ethical” (in the sense of belonging to the ethical direction). After 1900, however, Van Vollenhoven's researches of the adat and the abstracted sentimental principles propounded in an impressive style before the unripe and mentally unbalanced B.B.-aspirants created serious opponents of the entrepreneurs. Small wonder that the plantation concerns financed another Indological Faculty at the "Rijksuniversiteit" of Utrecht (1924). Most aspirants, however, preferred Leyden, because they wanted to make a career and were careful to keep in line with their future superiors and also, because the study in Leyden enabled them to live in The Hague where many Eurasians lived and where therefore a congenial sphere existed.

Eurasian government v. European business: We may not pass on now without mentioning an important fact, which however unpopular it may be to write it down, was nevertheless of great moment: namely the fact that many B.B. aspirants, especially for the service in Java, were Eurasians. Still Dutchmen legally, but estranged from the motherland, without initiative in business, these young men generally sought government offices, many as clerks, the better educated as army officers and B.B.-officials. The Navy, under all kind of disguises, especially the medical examination, kept Eurasians out until late in the thirties. In business, the leading positions were all held by Dutchmen. Eurasians even if they applied with the head-office in Holland, met serious discrimination. Sometimes this was based on practical

views. It might discredit the firm to place such an employee in a branch office in India, or Malaya, where racial conceptions were strict. The Sumatra-plantations, big concerns, sometimes American and British but also the Dutch, in principle took no Eurasians. The trade union of European employees even insisted on it. On Java-plantations, often belonging to smaller companies, Eurasian planters had a good reputation, especially in the mountain-cultures of tea and coffee. The harmonious relation to the surrounding population was largely due to them. But in the sugar-culture of the plains, big concerns and a more European atmosphere again prevailed. On the big Pamanukan and Tjiaseem estates, formerly sold by Raffles and run until now by an English plantation concern, applicants were asked the birth places of parents and grandparents. To state the real position briefly: the ethical-liberalist antithesis more or less mixed with the Eurasian-European antithesis. This meant that the issue was less clear than as stated at first. The B.B.-officials, though opposing the entrepreneurs were not quite "ethici". They remained, to a good extent, patriarchal and authoritarian. And the European entrepreneurs seeing the fatal controversy and the sentimentally influenced attitude of the B.B., opposed the B.B. without necessarily being immoral exploiters. It was not only a struggle of principles but also of sentiments, emotional attitude and communal psychology.

B.B. versus entrepreneurs: After having tried to describe the mental background of the controversy, the reader will be eager to hear facts. These are easily provided because the entrepreneurs were not slow to protest in word and in writing. The writing was generally entrusted to the more learned men who occupied secretarial posts of the entrepreneurs-unions, such as H. Ch. G. J. v. d. Mandere (sugar) and Dr. J. F. A. M. Buffart (rubber S.O.K.).

a). Java mountain cultures: One would expect, having taken notice of the ethic conceptions of soil-legislation, that the long-lease-plantations would especially be the target of the B.B. for they had acquired soil on which perhaps some native rights had been exercised. Yet we hear little of difficulties. The relations with the population were good. The work went on the whole year, quietly and without sudden changes, at least in the tea culture. In the coffee plantations of eastern Java, there was a busy time during the harvest. Only the acquisition of new land became difficult. Tea grows best at an altitude of between 600 and 1000 meters. Above 1000 m. cinchona was often planted. The higher the altitude the smaller was the corresponding surface of the

conical formed volcano (see map no. 5). Moreover the growing population settled higher and higher up the slopes. Where there was land left for which tea plantations and natives competed, it is clear that the natives' claim should have been weighed heavier. That this was done need not, therefore, be seen as directed against the plantation-concerns. Some tea-concerns after 1900 went to the mountainland of Simelungun round Pematang-Siantar (S.O.K.) and, after 1915, to the slopes of the Korintji and Merapi of Sumatra's West Coast (S.W.K.). On Java the planters themselves had spread teagrowing among the natives. Every morning the leaves were brought to the factory. The natives were, of course, unable themselves to make the well-dried, roasted and fermented tea, which is demanded by the world market. It was clear, that as soon as a depression came and the plantations had to restrict their output, the great inclination would be to stop the purchases from the natives. But here the B.B. was alert. In the framework of the international tea restriction scheme, a quota for member-countries was given. This was divided over member factories and the native tea-growers were allowed to supply 2/11 of the requisite wet leaf. It is only fair to say that the tea planters willingly helped to execute the plan. One planter, Kingma, even developed considerable own initiative and effort to achieve a just division among tea-growing natives and to restrict the share of the middle men (Boeke, 19, II, p. 39 ff.)²⁰. It is, therefore, not correct to speak of a clash between entrepreneurs and B.B.

b). B.B. and sugar culture: In the sugar-culture, however, the struggle was fierce. Without discussing its justification, we may cite some facts from v. d. Mandere (68), then secretary of the V.J.S.P. (Union of Java Sugar Producers). We may agree that the B.B., having to consider the economic, social and other interests of the population in the widest sense before giving permission to establish a factory or to plant cane, could practically do what it liked with such a highly subjective criterion. The objections of the B.B. generally concerned the decrease of the rice crop. Though no bargaining had been provided by law, yet the entrepreneurs were more or less compelled to make offers to pay for new irrigation works. Otherwise the applications were bound to

²⁰) The reader may also consult Boeke: The Evolution of N.I. Economy, Institute of Pacific Relations, N.Y. 1946, which is a translation with two mistakes (pp. 81 and 122) but extended after the war with the period 1940 and 1941 till the Japanese occupation. The title is attractive but not quite correct. It deals not with "the" evolution but with the new interventionistic economic policy of the government since the depression and with the international restriction schemes.

be turned down. This appeared especially during the first World War when the food supply was a crucial matter and sugar stood before a booming market (till 1917). But it was continued even after the war. In the period 1913 : 1921, only 4 out of 69 applications for establishment were approved of and from 145 applications for extension of cultivation only 64. The director B.B. compared rice production as it was with the new diminished production. He then demanded that sufficient money should be spent on improvement of irrigation so that the decrease would, for a good part, be compensated. This could be achieved if the water supply especially in the dry season increased so that a second rice crop could be raised on more of the sawahs.

Irrigation-problems: This problem was especially important as the sugar field demands a rich water supply in the hot and dry season when it is a "bottle-neck". The technical side of the question is well described by Metzelaar (49, I, pp. 211/236). The irrigation service did not control the tertiary arteries and sluices. The division within the socalled "tertiary sections" was left to the natives. Only when there were sugar fields situated in them did the Irrigation Service regulate the division here (p. 211). This was necessary because the competing demands for water by the sugar- and by the food crops (in the dry season generally polowidjo, drier crops than rice) led to endless quarrels, frauds etc. Even where no sugar was planted, the native peasant often had to wake up in the night and check whether he had not been cheated by his neighbours. The water demands of different crops vary. Rice needs 1.5 liters per hectare and per second, polowidjo generally 1 liter p. ha/sec but sugar as much as 4 liters p. ha/sec (p. 216). In view of the shortage, every irrigation section must make a cultivation-plan for the east-monsoon, whether or not there were sugar-fields in it. Crops, surface, time of planting and amount of water were then agreed upon by the peasants or if necessary enforced by the village chief. Who wanted to plant rice was free to do so at his own risk. He got more water only if the water supply turned out to be more ample than expected (p. 216). It was characteristic of Dutch patriarchal colonial policy that the natives were not required to pay for the water even if irrigation works had been erected for the purpose and this was the only way already for fifty years in which more water could be supplied. The applicability of the native barrages and other primitive devices was exhausted (p. 236). The natives, however, paid in another way. The landrent, in the 1930's about 12 % of the harvested quantity, was each year assessed on the average harvest of the ten previous years. So after ten years in which

the benefits of the irrigation works had been fully enjoyed, the land-rent was only quite adjusted to it (p. 233). All these details certainly serve to give people a better understanding of the B.B. policy. Yet the description of it is omitted by v. d. Mandere (68).²¹⁾

It is important to note that only big concerns could satisfy the demands of the B.B. and therewith benefit the population. The H.V.A. paid most of the costs of the irrigation project of the river Bedadung in the Residency of Besuki, namely 400 guilders per ha. One fourth of the reclaimed sawahs was added to the permitted annual cultivation-area of sugar.

The prescribed mediation of the B.B. in the lease of soil worked out less profitably to the entrepreneurs and this was still more the case in the 21,5 years' contracts where even the rates were dictated by the B.B. The sugar concerns complained that the fluctuation of the native rates for "field-lease" was not properly followed especially not when they had decreased.

For these difficulties, there were few solutions. We have already seen that the H.V.A. in Kediri had got hold of considerable longlease parcels for her sugar factories (see p. 162). Extensive swamps near Djatiroto on the frontier between Besuki and Pasuruan were drained by the H.V.A. and so 9.600 ha of long-lease-land acquired. Efforts were made to shift to the Outer Possessions, Bali and Celebes notably, but they were frustrated by the B.B. Why, is not reported by v. d. Mandere (68) but probably because it might give rise to new recruiting of contract-coolies.

c). B.B. and native rubber cultivation: The demand of the world market not only intensified plantation export but also gave rise to important native export cultures. Formerly pepper had dominated: to this was added coffee and, after 1910, rubber. The coffee cultivation of the Outer Possessions retained much of its free character and also retained the Arabica. It was not of importance for export. Pepper had declined in importance since the 18th Century. Of enormous importance, however, was native rubber cultivation in the *ladang* region. In the sago region of the eastern Outer Possessions where a more

²¹⁾ The interested reader may compare the Dutch irrigation policy with that of the English in Egypt. The irrigation-works there, wonderful though they are, principally served cotton cultivation. This was clearly evinced in times of water shortage. Jean Brunhes writes: "Durant la faible crue du Nil toute l'eau était réservée pour la culture du coton au détriment des cultures alimentaires, riz et maïs. Le riz était radicalement sacrifié, le maïs était abandonné à son sort". (22, p. 409).

sedentary population resided, living from fishery and sago-collection, cultures of a still more perennial character as nutmegs and cloves developed and, in the modern world economy, cocos-cultivation. Copra became a native export product of great importance. In the sawah-region, only annual market crops were grown, like maize (corn) and cassava. Cassava-flour had to be prepared by small Chinese factories. As sundried chips (gaplek), they could however be exported without Chinese or European processing. These crops, however, were exported only if the rice harvest had been satisfactory. Else the cassava was consumed by the peasants themselves. One perennial export-crop of importance comes from Java, namely kapok. These trees are invariably found in gardens of the kampongs, along with bananas, cocos, and herbs for daily use. Highly diversified, unorderly and scattered, the productive value of the gardens is important but difficult to overlook. The gardens occupy 1 million ha, or 18½ % of Java's arable land (49, IIa, p. 624). But from the millions of gardens a flow of kapok entered world trade which gave Java practically a monopoly for good kapok (*Ceiba pentandra* L.). The emergence of native export-crops was wonderful and the government did much to promote it, as she also promoted tea-growing in the Priangan.

A special place, however, was occupied by native rubber-cultivation because only here did the population seriously compete with the plantations. Only some 5 % of the copra export was derived from plantations (1938). Quite different was rubber export. In 1928 the natives exported 91.353 metric tons (the various forms reduced to dry rubber!) and the plantations 140.821 tons. The tendency during the depression was for the natives to gain ground on the plantations.

The economy of the Outer Possessions, as already explained, was more mercantile and mobile, a real money economy. Java, in contrast, was of a rigid structure and more a natural economy. The mercantile Western Outer Possessions are situated geographically in a half circle round Singapore and the throbbing life of this emporium activated the surrounding regions. There was a lively traffic between the Western Outer Possessions and Singapore and Malaya. Chinese on both sides were connected by ties of kinship and trade. Dutch Malays went to work on Malayan rubber estates in the very beginning. Hadjis, always belonging to the economically alert natives and therefore able to pay the cost of the Hadj passed through Singapore. Small wonder that rubber seeds were brought to Sumatra as early as 1910. Since then, the growth of native rubber cultivation was steady and not to be stopped. *Hevea brasiliensis* was a tropical forest plant. It did not require scientific methods of cultivation. It was planted "en passant"

with ladang rice. When the native had spent practically nothing yet, the rubber estates of S.O.K. had already invested 200 guilders per ha. This meant 1 million guilders for a rubber plantation of 5000 ha. On this capital, dividends and partly maybe interest had to be paid. This made native rubber cultivation much less vulnerable to business-cycles. A low price signified that the native must sell more rubber to buy a gramophone, bicycle, sewing machine, motorboat, gun, automobile or what he might have in mind at the moment. In the depression, export quantities increased instead of diminishing as was planned by the international restriction schemes.

The Stevenson Scheme of 1922 failed in forcing its price on the U.S.A. consumers because it had disregarded native rubber. The depression was short, however, and followed by an unprecedented boom, so that this failure had no serious consequences. But the unprecedented boom was, in its turn, followed by a similar crisis and depression. The schemers, now represented by their governments, came together and a new rubber restriction plan was agreed upon (1934). It was easy to divide the N. Indian quota between the plantations and it was also possible to reserve part of it for native exports. But how could the many anonymous native producers be induced not to transgress it?

In Western and Southwestern Java, a survey was held. The native owners were registered as well as the number of their trees (7,9 millions in 1935). To do the same in Sumatra and Borneo seemed an impossible task. So the government decided to restrict native rubber exports by levying an export duty. From the world market quotations, apart from transport costs etc. the export duty had to be deducted to find the prices realised on the rubber bazaars of Sumatra and Borneo. These lower inland prices instead of discouraging even encouraged native-export. Each time the duty was increased, each time the native quota was transgressed. The details of the story may be read in Boeke (19, II, p. 31). In 1936 counting patrols in boats penetrated the rubber regions and counted all owners and their trees. There were 790.000 owners with 582 million trees. From Jan 1, 1937, each got a proportional individual export quota. The margin between world market price and bazaar price now expressed itself in the value of the export-licences. Its revenue was for the owner. The margin was no longer pocketed by the government. The native export was 47,5% and 44,5% of the total in 1937 and 1938 respectively. The proportion had increased in comparison with 1928.

'This dangerous situation for the plantations which at present (1950) has darkened their prospects was attributed by the entrepreneurs to

the very liberal way in which B.B. officials gave out cultivation permits for rubber-gardens. Indeed, if applied for, they were always given, even gratuitously. Only if the applicant was a Chinese, as frequently happened in Western Borneo, was payment required. Logically, if the government wanted to stop native rubber export this liberal policy had to be abandoned. On the other hand why should plantations be saved anyhow? Maybe till the capital could be repaid to investors, but certainly not for other considerations. Rubber has proved to be an excellent population-crop. In free competition, the plantations have lost ground. The quality of the latex is always pretty well the same: the preparation only serves to make it transport-proof. Natives can do it with well known chemicals (formic acid) and hand-mangles and dry the slabs over a smoke fire.

d). The B.B. and the land-question in the concessions of S.O.K.: The "concession" had not considered the population and its right on the soil. This, however, became a serious problem when population increased. The difficulties then arising were already touched above (see p. 159). For convenience's sake the land division in the concession may be expressed as follows:

$$O = O_{pl} + O_{pop} + R$$

in which O_{pl} = plantation surface, O_{pop} = population surface and R = reserve-land. To whom does R belong? The requirements of the population as well as of the entrepreneurs vary with time but their relation to the time factor is quite different. The requirements of the population can be expressed with tolerable exactness as a continuously increasing function of time. The requirements of the plantations depend on the demand of the world market, especially in case of annual crops but for perennial crops as well. The pretensions of business forecasters must not deceive us in believing that there is any exactness in their judgements even for short periods ahead and certainly not for the periods covered by the population forecasting. The requirements of the plantations vary without recognizable regularity. From this standpoint the claims of the plantations were certainly weak. Maybe this is the reason that J. F. A. M. Buffart, then secretary of the A.V.R.O.S. (Union of rubber-concerns in S.O.K.) and later professor at the Indological faculty in Utrecht, gives no consideration to this factor in his complaint against the B.B. (23). But it certainly entered into the considerations of the officials. In 1900 the population rights were defined as covering:

a) the kampong with the compounds,

- b) the ladang existing at the time of survey and a periphery of 200 m. depth for possible extensions of the ladang,
- c) a land reserve of 4 bouw = 2,8 ha. per family needed for shifting the fields. Every five years a census of the number of families was to be taken,
- d) New kampongs could be established on the disputed reserve land with the consent of the B.B.

In our theoretical scheme, we can briefly say that the provisions also prescribe a stationary ladang cultivation with a turnus of five years (i.e. $Vf = 1/5$). If these had been the only provisions, the entrepreneurs could have been content. The growing population would then only have had three possibilities.

1) A decrease of Vf to, say, 0,5 so that a greater surface could be planted yearly or even a $Vf = 1$ i.e. a transition to permanent cultivation. But without an altogether new technique of fertilizing, the soil would soon be exhausted. The reputation of tropical soils as being infinitely rich is a delusion (Lang, 64) (Cressey, 32a, p. 497) (Pendleton, 79a).

2) Emigration of the excess-population to regions without plantations or concessions. This would be very difficult and could lead to confusion and quarrels with the population of the new region.

3) The excess population would have to be sent away to find employment with the entrepreneurs.

So practically the only solution would be to work for the entrepreneurs, unless the B.B. would make use of provision "d". And this she did in a measure unexpected by the entrepreneurs. We can now better understand the anger of the entrepreneurs who in addition to losing part of the land reserve had to wait still longer for a local labour supply. Of course, the reader will not find these explanations in Buffart (23). Buffart only uses juridical arguments. The land, exclusive of the parts in use by the population at the time of the conclusion of the agreement, had been acquired by the entrepreneurs for their own purposes. This is Buffart's implicit opinion. He shrinks, however, from putting it so clearly and sharp. But he says: "One is so used from the side of the B.B. to take land away from the concessionair, that one often overlooks that he has a legal right on the land". But what must happen if R has been completely given out ($O = Opl + Opop$)? According to Buffart, there was a tendency among the B.B. officials to order the trees to be cut in this case. As we have seen the question was worse for the tobacco plantations. Two systems of ladang cultivation clashed. The formule can here be written

$$O = 8ft + 5fl + R$$

in which ft is the yearly surface of the tobacco-field and fl that of the ladang.

We know that the cutting of trees as well as the occupation of the tobacco land has taken place in and after the Japanese occupation. It is an open question whether an orderly solution may be expected in the near future. But before the war such a solution was offered by the B.B. namely, the conversion of the concession in long lease. In principle, the solution was accepted but, when it appeared that the B.B. insisted on a very disadvantageous division of the reserve land, the plantation concerns refrained from the conversion.

e). The B.B. and labour-discipline: Since v. d. Brand's pamphlet in 1902, labour inspection by the government became more intensive. Especially those coolies who were tied by contracts with p.s. needed protection. Their number was 261.000 (234.000 Javanese and 26.000 Chinese) in 1929 when the boom reached its apex. There were only 41.000 free labourers from abroad, from them 38.000 Javanese who had resolved to stay as free labourers after the expiration of the p.s. contract.

There was another reason which made strict supervision necessary. First, the Javanese migrants generally did not belong to the most respectable part of the desah society. Second, the assistant-planters, young men fresh from Holland, had no knowledge of the natives and their ways. Being subject to strict control and bullying by their superiors, working in the open from six to six they were not in the mood to seek a closer intimacy with the labourers' character, needs and desires. In this respect, they were far inferior to the Java planters of the mountain-cultures (tea and coffee). Tired by their work and living in terror of their chiefs, they in their turn drove the coolies to work harder. Irascible, often desperate when they met passive resistance, blows and kicks were easily dealt out. The driving force were the older planters, accustomed to pioneering ways. We see the same phenomenon as among V.O.C.-officials: no respect for the person of inferior rank who had to suffer the humiliations, discriminations in dress, which the superiors had undergone themselves. As they had had Japanese concubines and often went on living with them even when they had acquired a higher position, they wanted the assistants to do the same and refrain from bringing along European wives. At least in the first six years of their service. These women were the spearheads of a civilization which they did not want on the plantation.

The task of the labour inspectors was especially difficult because

of the wrong and detrimental conclusions which the coolies might draw from the inspector's behaviour. Every insider will agree that they failed in their task. They did not succeed in protecting the coolies without damaging the white planter's authority. They sent out their interpreters into the gardens to collect complaints and intelligence. The authority of the planters, was, however, essential, a conditio sine qua non for the efficient running of the plantations. The tension between the planters, especially the chief of the plantation, the "administrateur", and the inspector developed to open animosity with all the fatal results for labour discipline. The inspectors were instructed to respect the administrateur and to solve difficulties in quiet cooperation. But this was more easily ordered than applied. The coolies regarded the inspector as an ally, the assistants noticed more resistance in the gardens. In 1929 there was an unprecedented number of assaults on assistants several of whom were stabbed to death. The "Deli Planters Vereeniging" complained to the government attributing the murders to the conduct of the labour-inspectors.

f). The government against landhuur: Ethical opposition against the "landhuur" of the Vorstenlanden had already begun early, namely under Baron v. d. Capellen (see p. 103). Du Bus restored the land-leases but natives and Chinese, according to the provisional R.R. 1828 were to be excluded. In 1857 the contract's duration was increased from 15 to 20 years to encourage the flourishing private cultures. In 1884 however, the wind blew again from another direction. All leases of lands smaller than 200 bouw (= 140 ha) were abolished. Yet in 1894 in view of the increasing long-term investments of entrepreneurs, the duration of the contracts was increased to 30 years.

The really ethical measure against what was considered an undesirable institution was taken in 1918. The entrepreneurs were invited to convert landlease into normal fabrication- and cultivation-permits as in the government's territory. To make the conversion more palatable it was stipulated that entrepreneurs who agreed would retain the right of landlease for a final fifty years after expiration of the existing contracts. Landlease was moreover in that case declared suitable for mortgage. The servile labour of the population had to stop after five years. Most concerns agreed so that servile services, whether paid or unpaid, ended in 1924 (Soepomo, 91).

The war and Indonesian revolution have prevented the conversions taking place in this way. The Jocja-parliament in 1947, though the need of revenues from sugar and tobacco was recognized, abolished it at once. The reader will be reminded of the dramatic night session

of the "Assemblée Nationale" (4—5 Aug. 1789), in the beginning of the even bloodier French Revolution, in which was laid down: "l'Assemblée nationale abolit entièrement le système féodal". The present situation is still not clear.

g). The government and the private estates: After the restoration of Dutch rule in 1816, several "entrepreneurs" applied for private estates. We have seen how, after many deliberations, the sale of private estates was in principle terminated by the C.C.G.G. being considered an encroachment on native rights. G. G. v. d. Capellen was, of course, quite unwilling to give out new estates even though one English applicant could prove that Raffles had promised him the Tjikandi lands of Bantam. C. G. Du Bus was less inaccessible and on account of Raffles' promise granted the Tjikandi-lands as private estates in 1829 by way of exception. In the R.R. of 1854, the governmental principle was laid down in writing (art. 62). The extent of the private estates, at this moment was already considerable enough. They comprised 8% of Java's surface. Of these 98% were situated west of the Tjimanuk. Though the owners had acquired practically a seigneurial position, the government soon began to curtail their rights. Lt. G.G. J. C. Baud in 1836 issued Regulations concerning the relation between landowners and population west of the Tjimanuk. In 1912 the same matter was regulated more minutely.

Art. 1 declared that the former sale did not derogate from Dutch sovereignty. The relation between landowner and population was determined as belonging to the sphere of private law. This sounds rather queer where servile labour could still be ordered. No discriminations between the original population and later settlers was permitted. On a higher legislative level, however, more decisive steps were taken. As the landowner could not be expected to follow the same philanthropic irrigation policy as the government and as also the abolition of servile labour would damage the owner financially, the Dutch legislator preferred to buy up the estates. A corresponding law was passed in 1910 and worked out in a royal decree (K.B. 1912). From 1912 : 1920 half of the estates were bought up at the cost of f 90 mls. (see map No. 6a). The depression stopped this. Several private estates owners who had refused offers of millions now repented (Nolst, 77). The rest of the private estates have been radically abolished by the war and post-war.

Ethical reactions in U.S.A.?: With several examples we have tried to describe, in an unbiased way, the ethical attitude of the B.B. and

the attitude of the "planters". Ethical reactions on entrepreneurial exploitation, however, seemed also to be alive in the U.S.A. In 1929 the Hawley-Smoot Tariff Act, a second climax of protectionism after Mac Kinley's Tariff Act of 1890, was amended by Senator Blaine. The Blaine amendment prohibited the import of articles produced with forced labour or under "penal sanction" after January 1, 1932. In view of the protectionist tenor, it was difficult to ascertain whether this was a purely philanthropic and ethical move. The tobacco-concerns sent a delegation to inquire but could get no certainty whether Deli tobacco would be subject to this clause. It is striking that the rubber-concerns did not sent delegates. Maybe they considered that the American ethics would not go so far to deprive the country of an important source for its rubber supply. Certainly, also, the tobacco concerns doubted the ethical character of the Blaine amendment. But they were more endangered than rubber because their position was less strong. Cuba and the Philippines both supplied excellent cigars and tobacco and being dependencies of the U.S.A. with big American capital investments, could make a strong bid for special favors. It is true that none of them had the excellent Deli "dekblad" (cover leaf) but the cover leaf does not add to the taste of the cigar. Moreover there were large American rubber-plantation concerns in S.O.K. while the capital in Deli-tobacco was mainly Dutch. To end all uncertainty, the tobacco concerns did not await the American decision but in an address to the Colonial Minister (Oct. 1931) declared that they renounced the exertion of the right of penal sanction and would in the future only conclude contracts without p.s. Somewhat later the U.S. Senate decided that Deli tobacco was not subject to the amendment. Perhaps the renunciation had not been necessary. Probably the mechanical American cigar factories did not want to dispense with the famous sand-coloured Deli cover leaf.

The abolition of P.S.: Now the proof had to be supplied that the p.s. had not been quite necessary and that a system of registration could have done the same service even in the time of predominantly Chinese labour. As we know Javanese contract coolies predominated even on the tobacco plantations in 1931. With that the problem of finding the ex-coolie's new employer became less difficult. The Javanese who had left one plantation was sure after some time to ask for work on another plantation. For non-plantation jobs, he was less suitable and, moreover, the depression made employment a problem anyhow. The entrepreneurs now reached a collaboration with the government. The government set up a registration-office where all con-

tracts were registered. The entrepreneurs opened a dactyloscopic bureau which made identification an easy matter. A gentlemen's agreement bound the concerns not to employ each other's run-aways. In case they did so nevertheless, intentionally or misled by the applicant, the identification by fingerprints led to a quick detection. The new employer then had to pay a fine to the government registration bureau. This was a sufficient brake on their willingness to keep such a crypto-deserter (Rothe, 49, I, p. 323).

But the rubber-plantations had not renounced the p.s. Therefore the government prescribed a gradual conversion of p.s. in free contracts which was to be accomplished by 1940 (Boeke, 19, I, p. 158).

The case of the entrepreneurs reconsidered: Up to now we have dealt with the questions which arose between entrepreneurs and B.B. and so, inevitably, the stress was laid on the less agreeable sides of the entrepreneurial system. We will not assert that the entrepreneurs only replaced exploitation for tributation. But we certainly cannot help smiling when we read the not uninterested assertion of e.g. Prof. Dr. V. J. Koningsberger, once botanical director in the Java-Sugar experimental station, who writes ".... the liberals who wanted to break with the C.S. in the interest of the native population" (49, IIa, p. 287). Self interest is still the strongest motive in economic life and it certainly was in those times.

But the plantations also have great merits. Already under the C.S. the yield of cane pro ha. had doubled, not in the last place by the exertions of the sugar-contractors. After the crisis of 1884, scientists were called to aid and cultivation as well as fabrication progressed with rapid strides. Experimental stations were established, the first in 1885, with three directors, one botanist, one chemist and one fabrication-expert. Na money was saved in employing highly qualified men, generally Germans till 1914. The confidence in Dutch scientists was then insufficient. This attitude was not unfounded as we have seen before. Moreover, the Germans, by their exertions, had been foremost in developing beetsugar (Whitbeck and Finch: 108a, p. 424). Small wonder that Germans were called to perform identical services for the cane sugar production in its sorry plight after 1884. Later, Dutch botanists, have done very important work in the selection of new varieties. The sugar-output of the factory per ha. cultivated was higher than elsewhere in the world. Hawaii being a close second. These increments of produce and, consequently of proceeds are certainly not attributable to the native so that in extracting a corresponding part of the proceeds from the country no act of exploitation

was committed. May be the scientists were the exploited people — in the sense that their reward was too low as compared with the value of their work. Moreover, these amounts even if transferred to Holland exerted no detrimental valutaric effect. The transfer was guaranteed by the fact of the sugar being exported. Another question was however, whether the natives were remunerated in proportion to their contribution to the final sugar-export. Koningsberger (49, IIa) as well as v. d. Mandere (68) give many figures to show how much money was spent on native labour, land and services. These certainly were high enough to make the people regret the closing of many factories during the adjustment of Java-export to the quota of the International Restriction scheme. The natives were certainly not exploited in the way of having to accept a pay too low in their own opinion. Yet the absolute figures of both authors tell us nothing about the proportions in which the total-proceeds were divided. For other cultures not even absolute figures have been stated. They were less attacked. But in general it may be said that the Dutch investments in plantations generally came from reservation of high profits. In the boom years of 1925-'29 certainly one third of the investments were derived from profits of these same years. (Centraal Kantoor Statistiek, 3, p. 13). Neither v. d. Mandere nor Koningsberger gives us the amounts of the bonuses enjoyed by the plantation and other staff which were expressed in hundred thousands of guilders for the higher ranks in the boom-years. Certainly there was a disproportionality between the share of the capitalists and higher employees and the share of the natives and the government. Such a disproportionate division assumes a serious aspect when groups of different race and nationality are concerned. J. S. Furnivall estimates the average profits of rice-mills and rice-exporters in Rangoon as 20% to which must still be added the undistributed profits reserved for investment (40, p. 191). In Netherlands Indies, the profits were perhaps even higher. The fact that the higher employees were all Europeans and generally returned to Holland while the capitalists were residents of Holland and that the companies were domiciled in the mother country brings us to the profits which the Netherlands as such drew out of the colonies in the entrepreneurial period.

The profits of Holland: The profits drawn out of N. India during the time of the V.O.C. are not known. The dividends paid out to stockholders in later days did not derive from profits but were paid out of new bond issues and from clandestine credits from the "Amsterdamsche Wisselbank". The profits did not enter the treasury of the

V.O.C. but they entered Holland just as well. It is known that the V.O.C. had a transfer monopoly to Holland. Repatriating officials had to buy bills on the Company's Treasury in Holland. If the books had been preserved, the amount of the transfers during the V.O.C. period could easily be computed. But the respect of the officials for old documents and archives was very slight. Much has been lost or wantonly destroyed. The gaps in the records have been accepted sadly by the successive directors of the government's archives in Batavia, especially by F. De Haan. The Dutch lacked any greater historical conception of their presence in the Indies and in the factories strewn along Asia's coasts and the Cape of Good Hope. Only few of the V.O.C. servants rid themselves of the vulgar trader's mentality, as Cornelis Speelman, the general against Makassar and Ceylon who did not fit into the typical pattern.

But even if the books were complete, the transfers would not give an accurate picture. For the transfer was often evaded by smuggling silver or by sending private goods to Holland in the Company's own ships. These profits expressed themselves in the manors bought by Van Tets (45, I, Pers., p. 60), and in the magnificent house "Buitenhuis" built by Martin Harting in the Scheveningsche weg in The Hague (46, p. 430). And this was only a fraction of what the V.O.C. officials earned and kept in Batavia and Ommelanden in the form of land and of country-seats of which the reader may see such wonderful plates in De Haan's second volume of „Oud Batavia”.

We must, however, keep well in mind that the source of the profits in the V.O.C. period was not restricted to Indonesia. The trade with Japan, India, Persia and China and the rich tributes of Ceylon in the seventeenth and part of the 18th Century outmatched Java. G.G. van der Parra had made a fortune in rice-trade because he could manipulate the supply of tribute-rice from N.E. Java and therewith the prices in the free market. But the greatest profits were made from coffee which was only introduced in 1707. Coffee made Java the most profitable possession of the V.O.C. in the 18th Century.

In the period 1811–1816 and even after the Restoration until 1830, the profits from N. Indian trade were generally enjoyed by the English, the costs of government however, were loaded on the backs of the Dutch. Fortunes were made by the Dutchmen who, like Andries de Wilde, had been favoured by Raffles. The English profiteers, as far as they were traders, could be curtailed by the N.H.M. and the C.S. but the Pamanukan and Tjiasem lands sold by Raffles to Englishmen remained in English hands up to the present. Its surface in 1918 was 200.000 ha or nearly 500.000 acres and had 250.000

inhabitants. With the C.S., a new period began. In the first years, the English traders still dominated and in fact — thanks also to the contemporaneous free cultures — they were never quite displaced as exporters. As importers their position remained even stronger. But the profits enjoyed by Holland via the Treasury increased. With tolerable exactness the transferred amounts can be ascertained, namely somewhat less than 1 billion guilders. It was a hard, yet open and honest system imposed by the sovereign. We call this tributation.

The entrepreneurial system, the exploitative system lack this open character. And as no control was exercised over capital and income-transfers in a predominantly laissez-faire order, the historian has to grope for the facts. Compulsion and authoritarianism, however eschewed, often supply the historian with important data. The census ordered for the assessment of taxes, the population registration introduced for the safety of the state or the smoother recruiting of soldiers, labourers or tying the people to soil and job, — these all breed unintentional good. We think of Goethe's creation, Mephisto saying: "Ich bin ein Teil von jener Kraft die stets das Boese sucht und doch das Gute schafft" (Faust).

If we take the analysis of the balance of payments of N. India 1925 : 1929 (3) i.e. in the boom years, we see that transfers by private persons were unknown but were included in an undetermined difference between the less known expenses and the better known receipts.

The amount of capital transfers by people on furlough was unknown but it was estimated on one third of the leave-salaries paid. At present, under the often deprecated "devisen"-monopoly of the government, all this would have been known to a far greater extent.

Let us look over this balance sheet for the five years 1925 : 1929 and note its characteristics. A large export surplus served to compensate the following items on the liabilities' side.

	1925	1926	1927	1928	1929
9. Interest	92	90	83	80 and	79 mls.
10. Dividends of planting Cies	137	187	158	171 „	132 „
11. „ „ other Ltd. Comp.	132	132	134	111 „	116 „
12. Trade profits (rest)	10	10	10	5 „	2 „
17. Remittances to head offices	43	60	54	47 „	36 „
Total of items 9, 10, 11, 12, 17	414	479	439	414 and	365 mls.
These must be seen in proportion to the grand total, respectively	1927	1680	1727	1742 „	1810 „

From the interest transfers about f 40 mls. were payments by the N.I. government on her public debt (ca. 4 % on f 1 billion). Many of these consols were in the hands of pensionfunds etc. in Holland. According to figures published by v. d. Valk (100, p. 140) 11% of the consolidated N.I. debt of f 1.082 ml. was then held by the "institutional" investors ²²⁾.

So private incomes in Holland from the entrepreneurial sources mentioned under these five headings amounted to f 40 ml. less or f 374, 439, 399, 374 and 325 millions.

To the above listed income items must be added the following items of less entrepreneurial character.

15. Remittances to relations abroad	15	15	15	15 and	15 mls.
16. Leave salaries, Mecca pilgrims and leave transfers	23	27	76	69 „	57 „
18. Govt. expenses in Holland	16	17	17	18 „	18 „
19. Old age pensions	23	24	25	25 „	26 „
Total of items 15, 16, 18, 19	77	83	133	127 and	116 mls.
Total of items 9, 10, 11, 12, 17	414	479	439	414 „	365 „
Total of both groups	491	562	572	541 and	481 mls.
From this amount however the Netherlands received (CBS, 1)	361	400	383	362 „	321 „
So that other countries received	130	162	189	179 and	160 mls.

These transfers to other countries than the Netherlands were derived primarily from entrepreneurial sources but also contained payments of the second category. Chinese and Arabs used to send regular remittances to relations. Leave salaries of Dutchmen were partly spent in other European countries. Old age pensions were paid out everywhere in the world. A conspicuous group of retired officials e.g. lived in Brussels where less taxes had to be paid. Others, being Germans by birth, returned to Germany. The amount received by Dutchmen was therefore somewhat greater than the amount received by residents of the Netherlands. Roughly three quarters went to Holland and one quarter abroad. This corresponds about with the proportions of capital-investment, as the Dutch investments amounted to about 75 % of the total (J. J. van Soest; 93, p. 39). According to van Soest the nominal value of N.I. company-stock held by residents of the Netherlands in 1929 was f 1136 mls. with a market value of f 2738 mls.

²²⁾ This became 47% of a fl. 1.288 ml. debt in 1938. It is clear now that even the labour ministers of 1950 insisted on the acknowledgement by the Indonesian Republic of this debt.

In 1929 N.I. bonds to the amount of f 942 mls. nominal value and f 934 mls. market value were held by residents of Holland. From these roughly f 800 mls. were N.I. Government bonds and only f 140 mls. company-bonds. The total amount of N.I. company stock held by the Netherlands was therefore roughly f 3 bln. Approximately f 1 bln. had been invested by Britain, USA and other countries (93, p. 44). Yet, as Boeke says, not too much importance can be attributed to these figures as great investments were made directly from profits. Less than half of the profit was often paid out as dividends in the years of expansion after 1920 and the other half was not always properly booked as reserves on the balance sheet (Boeke, 19, II, p. 189). The assets were of course written off very quickly. The HVA even had the practice to valuate new plantations at one guilder after the first year. It can not be assumed, anyway, that the market-value of company-stock quite reflected the strong reserves. This is more true for the older Dutch and English concerns than for the Americans and other newcomers, so that the share of the Dutch in the total investments must have been more important than given above.

Let us now compare the amount of the transfers of both categories to Holland with the Dutch national income, as computed from the net national product:

a) National Income 1925/9 (CBS, 1)	5394	5508	5603	5979	and	6108	mls.
b) Income transfers from N.I.	361	400	383	362	„	321	„
b as a % of a	6,7%	7,3%	6,8%	6,1%	and	5,3%	

A percentage of 5 to 7 % of the national income does seem rather insignificant. From a mercantilist point of view, however, also the payments for import from the Netherlands would have to be listed as net profits so far as the raw materials, labour and transportation had been Dutch. To the nation exports are net- profits especially when there are still unused productive resources. The wage of the labourer in an exporting-industry is pure profit. However repudiated by classical economists, statesmen have never deserted these tenets. But it is clear that it is impossible to base a calculation on a profit concept of such latitude. So far the income-transfers. If little was known about these even less is known about the capital-transfers.

The amounts of private capital transfers e.g. by repatriating Europeans, as already has been remarked, were as little known as under the V.O.C., the English, the liberal period and C.S. We shall try to make an estimate after having considered the distribution of incomes of N. India, according to the Income-tax evidence. Most natives of

Java did not pay Income tax but landrent. In the more mercantile Outer Possessions, they all were subject to income tax. The Vorstendalen were excluded. The figures given by the Central Bureau of Statistics of N.I. (C.K.S.) for the year 1925, therefore, don't give a clear picture as far as the natives are concerned. Moreover, many native incomes — e.g. from cab-drivers, peddling salesmen — were not assessed in a right way. The fact is that the B.B. officials imposed a fixed tax for the time that they adhered to a certain profession. The income tax for natives was more in the nature of a duty payable for the exertion of certain professions. Among the assessed natives were therefore all eligible inhabitants of the Outer Possessions and those natives of Java who worked in the non-agricultural sphere. Yet the number of assessed natives was only 3.1 mls. with an assessed total income of f 862 ml. The total money income of the natives of N.I. was estimated by Meyer Ranneft and Huender for 1926 on 1,5 billion guilders. To this, must, to my mind, certainly be added ca. f 3 billion worth of income in kind which makes 4,5 billion guilders.

Let us, however, now present methodically to the reader the income tax evidence for the year 1925.

Analysis of the Income tax of N. India for 1925.

Racial groups	People assessed		Income assessed		tax revenue
	Number	%	amount in f. million	%	
Europeans	78.611	2.15	443	27.76	52.14
Foreign Asiatics	394.971	10.82	290	18.16	18.0
Natives	3.178.166	87.03	862	54.08	29.77

The figures show an obviously progressive revenue from Europeans, proportional as a whole from foreign Asiatics and strongly degressive from the natives. It must be considered however, that the landrent of 12 % which was not represented in the table was pretty high. In fact, this % was not adhered to. The B.B. could lower it to 8 % at its discretion for poor villages or regions. Moreover, the officials were allowed to manipulate the official prices at which the rice harvest was evaluated. Theng Siu Tjhan (98, p. 63) correctly calls this "juggling"

with the padi-prices. The height of the assessment was still inversely related to the courage of the Resident to withstand the pressure of the government (98, p. 62). Yet Thesis VII submitted by Theng along with his doctoral dissertation says that the native population was assessed heavier than the other groups. It would have been better, however, if Theng had also given the proof of this in his work with a numerical comparison. In our figures, the thesis finds no confirmation. The C.K.S. has correctly given separate income-pyramids for the three totally different groups. We have here, after all, the case of a "plural society" a term coined by J. S. Furnivall meaning with that a society in which in all (or most) aspects of life the dividing lines coincide with those of the racial groups.

The native pyramid of N. India has a very broad base quickly tapering up to about 350 to 400 guilders which provides on its turn the base of another trapezium less tapering and going up to 700 : 900 guilders. After that a very thin spire reaches up in the higher regions. It would be interesting to compare this pyramid for 1925 with one of the Indonesian Republic.

The Foreign Asiatics' pyramid consists of two parts, one basic trapezium tapering quickly to 1000 : 1500 guilders and then a slowly tapering spire reaching to a much greater height than the native pinnacle.

The European pyramid has its broadest transverse section at 2000 guilders a year. From there it tapers downward and upward. Thanks to the inclusion of the Dutch colonial soldiers, the downward tapering is less distinct than it would have been if only the socalled "kampong" Eurasians had been included. In fact, the bilateral tapering shows that the group "Europeans" might be homogeneous from a juridical point of view but that it was not socially homogeneous. In an analysis of this "plural society", the group would have to be broken down in its two constituents, namely:

- a) pure Europeans with the higher class Eurasians and
- b) the low-class-Eurasians.

Even the pyramid sub a) would then show a peak, up from f 15.000 per year, formed practically only by pure whites, generally businessmen. In the regions of f 2000 till f 12.000 higher class Eurasians form an ever decreasing constituent, being dominant at 2000. Here the policy of the Dutch to lift the Eurasians up, a policy emanating from a due sense of responsibility for their creation, is clearly evinced. British Indian society on this point varied much. In the end, however, "the force which wanted evil has wrought good" also there, for the

British Indian Eurasians, of which certainly many were of Portuguese and Dutch origin, have retained a place in what is in fact their homeland, while the 200.000 Dutch Eurasians were practically expelled from Indonesia, came in shiploads to the already overcrowded Netherlands and via a stage of "DP" camps will be spread over all provinces, thus making the Dutch a more or less Eurasian people in the future.

We shall now try to estimate the yearly private capital transfers in the form of money or of export of securities to the Netherlands. Also many higher class Eurasians on their pensions settled in Holland (especially The Hague, where a definite Eurasian agglomeration is found in some quarters, e.g. round the Laan van Meerdervoort). The yearly income of those who expected to retire in Holland in 1925 could be estimated on 300 million guilders. Allowance must, however, be made for cyclical fluctuations. The influence of business cycles was especially felt in the upper business group, less in the middle group in which officials took a considerable place and still less in the lowest group. Assuming an average period of service of 20 years (25 years were needed for government's pension), an average global income of $f\ 250$ ml., an average saving of 10 % of the income and a normal repatriation of one twentieth of the people concerned, then the amount of repatriation-transfers each year must have been:

$$1/10. 20. 1/20. f\ 250 \text{ mls.} = f\ 25 \text{ mls.}$$

This is a minimum amount and no deductions should be made for the money saved during service but spent on furloughs. Considering that this capital was generously spent soon after arrival on houses, furniture etc. and that in restricted areas as The Hague, Wassenaar and to a smaller extent in Het Gooi and Bloemendaal, the reader can understand the popular notion that half of The Hague and half of luxurious Wassenaar have been built by people who have earned their money while in N. India. Moreover, the income-transfers which flow to Amsterdam are also partly paid out to shareholders in the same localities.

The capital transfers of The Hague expressed themselves clearly in housebuilding activity. Anybody may notice it from the frequent Malay names of villas. Figures are supplied by Leonie van Nierop (76, pp. 140/2). After two centuries of stagnation Amsterdam expanded again in 1869. This was not principally because the City-magistrates of 1612 had so spaciously planned the previous extension, as the Public Relations Office of Amsterdam asserts (5, p. 3), but because of Amsterdam's dwindling trade. In the period 1869-1879 the number of

houses again increased with 2100 from 24.411 till 26.582 (p. 140). But in The Hague, half as populous at the time, 6382 new houses were built in about the same period: namely from 1870 to 1879.

The multiplying effect of the lavish expenditures generally initially made from the transfers was beneficial for builders, joiners, confectioners, and so on. Moreover, the profits made on Dutch exports which by natural and artificial causes found a market in N. India must be considered. We have already seen how Dutch cotton-industry and shipping have been revived and maintained by the C.S. Especially after 1870 Germany's impressive evolution brought new wealth to agricultural, harbour and transportation interest, a phenomenon especially symptomized in Rotterdam. But N. India remained "the" market of Twente, and Amsterdam remained the place where free products like tobacco and part of the tea was sold. Amsterdam's refined auction technique, developed during the period of forcible sale of coffee especially, still attracted these products. Sugar, however, a staple-article, was not dependent on the auctions and its trade was lost by Amsterdam (Z. W. Sneller, 89).

CHAPTER XXI

THE GOVERNMENT'S ECONOMIC WELFARE POLICY

Since 1890 the N.I. government had been on watch to protect the native interests where they were threatened by the entrepreneurs. This attitude was still more or less passive and repressive. Active guidance in the development of the country's resources was not actually given. We have seen something of it in the encouragement of native tea growing. A definite intentional and planned intervention was begun only after the depression of 1929.

Curtailing Japanese imports to improve balance of payments: The initiative of the government must, however, not be estimated too high. It simply picked out those articles — generally of Japanese-import — which had found a wide market and could probably also be made in the country. Thus iron pots and pans, glass ware, textiles, pottery could be produced in Indonesian small shops. Soap, textiles, rubber-tires, shoes, beer, cigarettes had to be manufactured by European and American factories and at the expense partly of European and U.S.A. export. To create an inner market the respective imports were subject to quota and duties. The natives were helped with traveling instructors, advisers for cooperative organization and even with money. Very low wages and some application by the natives made these government interventions often successful. By this policy imports were cut down and brought more into line with the declining export items. Moreover, the Japanese exports which had so seriously hit European exporters in these markets — like Twente — was in its turn curtailed. Sitsen (87), a colonial official in exile in the U.S.A., gives a detailed description of the industrial development. But he omits to give the real explanation of the causes. Japan is only casually mentioned twice or thrice. Another most important cause of success was the war boom of 1939 till 1941 in which exports of sugar, rubber, copra, oil etc. were limited only by the shipping space available, when many import-sources had been blocked and when there was much money and great activity in the country. It is not justifiable to label these proceedings as "nation building" and to assert that this policy welded natives,

Europeans and Chinese, into one nation as J. S. Furnivall does (40, pp. 463, 547). Plural society according to him had become uniform.²⁸⁾.

Still N. India is a predominantly agricultural country and will remain this for a long time. But low wages could enable the industries which cater to local mass-consumption to survive and expand. Moreover, agricultural products may require manufacturing processes (tobacco, sugar, palmoil, tea) while other industrial activities are required to make the agricultural raw produce transportable (rubber mills, copra-drying establishments).

Palliated "pacte colonial": The importance of the government's policy is, of course, bigger than the concrete results suggest. A start had been made to train the natives to lead industrial shops, though small in size, to keep books, money and use bank credits. The importance would, however, be still greater if it could be shown that in the eyes of the government even the interests of the motherland were second to that of the colony. Here also Sitsen, Hart and influenced by them, J. S. Furnivall give a wrong impression. The sober reality is to be found in Boeke (19, II, Ch. 5). There we find the 14 conclusions about the economic cooperation between the Netherlands and N. India, laid down by agreement between the two governments in 1936. The document was in fact a palliated "pacte colonial". This was evinced by the execution. Japanese cambrics were to be kept out by the quota system and Twente was to be allocated larger quotas. The native batik shops had to use the more expensive cambrics to serve the mother country and Twente. The palliative here was a government subsidy on the import of 800.000 guilders a year to be paid by Holland, which would allow the import houses to sell the cambrics cheaper. Philips' electrical bulbs were to be granted preferential quotas to the detriment of Japan and in last instance also of the consumers.

²⁸⁾ J. S. Furnivall bases these assertions on Hart's specious pamphlet written during his exile on the development of N. India towards "economic democracy" under the benevolent new economic policy of the government. But Hart's assertion is only that a new solidarity between the natives and the government had developed (40, p. 242). This assertion is then twisted on p. 463 to mean that a uniform society had developed. The source is first Hart (p. 230) then "Dr. Hart the well known colonial statesman" (p. 281) and ultimately: "Dutch writers claim" (p. 463). An assertion of Hart that the wonderful industrial development had been achieved without "money-injections" (referring certainly to the New Deal) is also twisted to mean "injections of Western capital" (p. 463). Quite a difference indeed! What capital was invested in the Good Year Tyre Factory of Buitenzorg? Or in the "Archipel" or "Anker" Breweries? Or in the General Motors assembly plant at Tandjong Priok or the textile mill of Pasuruan?

Palliative: a Philips bulb assembly plant in Surabaja. That the conditions were one sidedly onerous was clear. As a general palliative a sum of f 25 millions was presented by the Dutch to the N. Indian government to finance welfare projects. On the other hand, Holland did not dream of encouraging the import of Java sugar as the sugar-beet-peasants would suffer. And as a market for N.I. produce the Netherlands were less important than vice versa. Interesting was clause 10 in which "necessary" industrialization schemes for N. India should not be opposed by Dutch export interests. Always in such schemes the interests of the mother country would be "considered". Thus we see that the new economic development policy was not strictly directed at the native and colonial interests. Japan was blocked out — presumably in the common interest — but the Dutch desires, even if opposed to colonial interests, were to be satisfied. The palliatives, however, show that the tendency to use the native interests as the first criterion was present, just as among the B.B. in the cases treated of.

CHAPTER XXII

CONCLUSION

Even before Hindu influence reached Insulinde there could be discerned three big regions with a fundamentally different material substructure, a ladang-region comprising the western Big Sunda Islands, a sawah-region practically restricted to Java and Bali, and a sago-region in the eastern part. The ladang region in the West became the source of perennial market crops, especially pepper, and therefore acquired great importance for world trade. The sago region in the eastern archipelago inhabited by fishers and collectors but with permanent kampongs, developed the still more perennial tree cultures of cloves, nutmegs and in modern times of cocos. Their importance for world trade was still greater. Java, the sawah-island, had few perennial crops, but annual market crops were later cultivated in rotation with rice namely, indigo and sugar. Java's importance lay in the supply of daily food to the producers of pepper, cloves, and nutmegs and to the exclusively mercantile people of the port kingdoms.

Because of their specific economic substructure, the empires of the Outer Possessions lacked a territorial foundation. They were only frequently changing combinations of scattered ports. They did not stand firmly rooted in the soil but were suspended in the network of trade communications. Very often they were creations of merchant-adventurers. Trade and money came together here, but on Java firm territorially organized feudal states had already developed. The nobles, being the only ones who disposed of excess rice, isolated the inland from the merchants in her ports. These merchants, Javanese, as well as others, exchanged the rice with the spices of the Outer Islands so that important emporia also grew on Java's North East Coast. Java proper remained a natural economy, and feudal-domaniai pressure on the population was even increased as there developed an outlet for rice. Java's natural economy was characterized by serfdom, the money economy of the Outer Archipelago by slavery. Trade in these port-kingdoms was the King's monopoly. The ships were his, manned with slaves who had been bought or captured. The slaves formed the man-power foundation. So in this aspect also the port kingdoms were

strange and exogenic creations, superimposed by mercantile forces from outside. The slaves had a privileged position.

They stood nearer to the king than the sparse surrounding population. But money economy did not denote the existence of a numerous public with a money-demand for articles of trade and consumption or a free supply of market produce. Only sofar as the King's influence did not reach, merchants, generally foreigners, could mediate in trade. These mercantile foreign colonies were the only freely consuming public in the money sphere. Already in import and still more in export, they were severely restricted by the King's monopoly. To provoke a pepper supply from the King, money had to be paid and this money was partly hoarded and partly spent on articles for the royal household and pomp, fine textiles and elephants as well as for the purchase of ships, slaves and, after about 1450, guns. The textiles, elephants and ships were supplied by other Asiatic countries. Europe had always, since Roman times, to offer silver or copper. Only when artillery had been invented, do we see Europe, Arabs or Turks give an important article in exchange. Malacca, when taken by the Portuguese, had more than 3000 pieces of artillery. The Portuguese, now in direct connection with the producers of spices, could have gone on exchanging guns for spices and occasionally they did so. But they preferred to conquer important ports and impose a demand monopoly on the surrounding producers mixed with tributes according to circumstances.

In the time of European competition, i.e. after say 1598, we see again many instances of an exchange of guns for spices. Few guns sufficed to acquire shiploads of spices. Sometimes guns were given gratuitously, to be used against the competitors or to obtain a favour.

The Dutch drove out their rivals and again the system of economic exchange absorbed increasing elements of force and tributes. This could, however, succeed only on Java and in the Moluccas. They were practically all taken over with preservation of the native rulers. This tribute system remained until far into the 19th Century in spite of the Industrial Revolution. The English might have opened the island to money-economy and world-trade, but, for political reasons, the colonies were restored to the industrially backward Dutch who continued the flow of tributes. This flow came from Java where a sedentary well organized population could be set to work by the interested chiefs, from the regents down to the village-chief. Yet the Culture System was different from the V.O.C. tributes. It was exceptionally well suited to introduce money, even into the lowest strata. The peasant was taught by compulsory cultivation of market crops

how to earn money without selling his rice. Only the Culture System made the functioning of the land-rent system possible without disrupting native society. The beneficial effects of the C.S. for the natives became evident only after the financial strain of the Netherland's Treasury allowed a more humane execution. This was not directly after the Belgian rebellion, but after the rising trend of world economy, following the gold discoveries of 1848, had promoted a rapid industrial development in Europe. The mass demand of the industrial agglomerations along her frontiers for foodstuffs not only increased the revenue from the C.S. but also the agricultural export of the Netherlands. Moreover, the mediation of Rotterdam's harbour between Germany and the world added to the new prosperity.

How far the C.S. had been suitable to create a money demand for textiles and iron mongery was shown by the emergence of Twente after 1834. The Nederlandsche Handel Maatschappy (N.H.M.), the creation of King William the First, was the bridge struck between the mother country's industry and the colonies' market crops. With the aid of its large capital fund and by its orders and charters, commanded and guaranteed by the government, it succeeded in inducing a slow and unwilling nation to create a new industry and build a new fleet.

The C.S. had collaborated with entrepreneurs especially in the manufacturing of sugar. These sugar-contractors desired to take over the role of the government in cultivation. When this transfer was gradually effected after 1878, the elements of force remained. At first the Civil Service (B.B.) was instrumental in putting land and labour at the disposal of the entrepreneurs. The transfer to entrepreneurs had however, been retarded during the period 1848–1870 by the difficulties of "intergentile" legislation, necessary to connect the native adat-law system with the sphere of European law. This legislation was necessary so as to find a form in which the European entrepreneurs could lease native irrigated fields (sawahs) which were needed for sugar cultivation.

The mountain cultures, coffee and tea, could easily get land in suitable climates against the mountain slopes but free labour was not offered until the population had expanded over the island and against the mountain slopes and until enough landless natives were available i.e. after 1890. For this reason the coffee-culture was continued by the C.S. until very late even as late as 1922. The same expanding population which had to supply free labour to the entrepreneurs, however, also occupied the land and made further expansion of the plantations impossible. Tea culture went over to Sumatra.

In Sumatra, a free tobacco culture had developed in Deli on the excellent andesitic ash-soils and with the use of imported Chinese contract-coolies from 1863 when the C.S. still reigned supreme on Java. Since 1890 the pressure of population on Java permitted a gradual replacement of Chinese by Javanese, a replacement which was completed in 1940. The advent of rubber after 1910 also brought the adjoining sultanates of Serdang and Langkat completely into the plantation-region (see map no. 6).

On Java, "free" cultures, contemporaneous with the C.S., developed mainly in the remaining Sultanates of Djocja and Solo, at first especially coffee but since 1860 predominantly sugar and tobacco. These "free" cultures, however, were based on the rent of large noble estates with all their seigneurial rights. They were no better than the government plantations of the C.S., which were based on the same rights to land and labour.

We may say that, after 1870, tributes dwindled. "Tributary" made way for exploitation. The profits of the tributary C.S. are known, circa one billion guilders. The profits of entrepreneurial exploitation can only be estimated. By the application of scientific methods since 1884, these profits increased greatly. But the share allocated to the natives was disproportionately low.

Since about 1890, the B.B. withdrew its help from the prospering entrepreneurs. Gradually it even adopted the role of protector of the natives. The so-called "ethical direction" among the B.B., instilled into the aspirant-officials by the Indological Faculty of Leyden, made it attack exploitation where it found such, whether in the many irregular ways of acquiring land and labour, in the irrigation question or in the rates paid for the lease of land. The entrepreneurs answered with the foundation of an Indological Faculty at the University of Utrecht in 1924.

In the depression after 1929, the intervention of the N.I. government went on and was even invoked by the entrepreneurs for the conclusion of international restriction schemes and their enforcement. Moreover, the deterioration of the balance of payments next to a desire for restoring native welfare induced the government to develop the available embryonic native small scale industry and to cut down imports. This the more so as Japan was universally feared and moreover did more and more restrict purchases of Java-sugar in favour of Formosa. Import articles suitable for home production were barred by a quota-system since 1935. The same quota-system was, however, also used to provide Twente and Philips with quasi-monopolies, in spite of their articles being more expensive than those of the Japanese.

The new "pacte colonial" was palliated in many ways, though in essence it remained. The manufacture of paper, rubber-tires, beer, textiles, cigarettes, soap was begun by Western concerns: e.g. Goodyear, Lever Bros. The war of 1939 brought a new boom of export and a corresponding efflorescence of home industry until the Japanese occupation in 1942.

During the occupation and after, land legislation was little altered but factories were dismantled and burnt, labour supply and disposal of the land blocked, labour discipline destroyed. It is not clear yet what will remain of the old smooth working agricultural export- organization. Java's position as a sugar producer does not seem to be restorable. Rubber plantations will have to economize or succumb before native rubber. Without strong labour discipline, the quality of the world famous "Deli-cover leaf" will deteriorate.

What will come out of the Indonesian Revolution nobody knows. We hope we have given a firm basis on which to study the present conditions and form a considered opinion of the future development of Indonesia.

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Additional material from *The Dutch Colonial System in the East Indies*
ISBN 978-94-017-6742-2, is available at <http://extras.springer.com>

